

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning & Policy Committee**

**Thursday, December 8, 2011**

**2:45 – 4:45 p.m.**

**600 McNamara Alumni Center, East Committee Room**

**Committee Members**

Maureen Ramirez, Chair  
Patricia Simmons, Vice Chair  
Laura Brod  
Dean Johnson  
David Larson  
David McMillan

**Student Representatives**

Terrance Paape  
Chantal Wilson

**A G E N D A**

1. Academic Freedom & Tenure White Paper - T. Sullivan/B. Elliott (pp. 2-11)
2. Annual Update on Undergraduate Retention & Graduation Rates - T. Sullivan/R. McMaster (p. 12)
3. Research as a Distinctive Part of the Educational Experience - T. Sullivan/W. Gladfelter/M. Marshak (p. 13)
4. Carlson School of Management Tuition Surcharge Differential - T. Sullivan/S. Zaheer (pp. 14-23)
5. Consent Report - Review/Action - T. Sullivan (pp. 24-25)
6. Information Items - T. Sullivan (pp. 26-27)



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**December 8, 2011**

**Agenda Item:** Academic Freedom & Tenure White Paper

review       review/action       action       discussion

**Presenters:** Senior Vice President/Provost Thomas Sullivan  
Professor Barbara Elliott, Chair, Academic Freedom & Tenure Committee

**Purpose:**

policy       background/context       oversight       strategic positioning

Review the parameters of academic freedom and academic responsibility for the larger University community.

**Outline of Key Points/Policy Issues:**

Academic freedom and its associated responsibilities are core values of the University, based in the Regents' policy of the same name. This discussion will consider the protections the policy confers, as well as the responsibilities all employees have in "the advancement of learning and the search for truth" (as carved on the front of Northrop Auditorium).

Board of Regents  
Educational Planning and Policy Committee  
December 8, 2011

Academic Freedom & Tenure White Paper

Executive Summary

The attached Academic Freedom and Responsibility White Paper emerged from faculty discussions in the Faculty Senate's Academic Freedom and Tenure (AF&T) committee 2010-2011. The committee was asked to respond to a series of questions regarding the role of academic freedom and academic responsibilities as they related to campus experiences fall 2010. The committee's vigorous conversations resulted in a White Paper that goes beyond those questions and further clarifies the parameters of academic freedom and responsibility at the University at all levels. This information is for the larger University community.

The White Paper reiterates that academic freedom and its associated responsibilities are core values of the University of Minnesota. Academic Freedom and Responsibility (AF&R) is also the title of the related Board of Regents policy, which describes these guiding principles and how they are to be lived at the University. All University employees are obliged to meet the responsibilities listed in the policy and to generate a setting in which free and vigorous inquiry is embraced in the pursuit of "the advancement of learning and the search for truth" (the words emblazoned on the front of Northrop Auditorium). The protections defined by the policy extend to all University employees who engage in scholarly work. The protections of academic freedom also apply in teaching and service settings.

The White Paper also clarifies the AF&T committee's sense of employee and student rights and responsibilities related to academic freedom, and how the resulting venue allows productive and successful scholarship, teaching, and service.

**University of Minnesota  
Academic Freedom and Responsibility  
2011 White Paper**

**Faculty Senate Committee on Academic Freedom and Tenure**

**Abstract**

The protections and responsibilities in the University of Minnesota Board of Regents' Academic Freedom and Responsibility policy are intended to generate a setting in which free and vigorous inquiry is embraced in the pursuit of "the advancement of learning and the search for truth," in the words emblazoned on the front of Northrop Auditorium. The combination of protections and responsibilities implies that the privilege of academic freedom is available and supported when it is ensured that all voices are heard and ideas are the focus of the conversation and debate.

All University employees are obliged to meet the responsibilities listed in the policy in order to create the culture needed to sustain and affirm the University's commitment to academic freedom. The protections defined by the policy extend to all University employees who engage in scholarly work. The protections of academic freedom also apply to teaching and service settings.

In 2011 the Faculty Senate Committee on Academic Freedom and Tenure discussions addressed current thought about these aspects of University work. These discussions, which came about because of the U.S. Supreme Court decision in the case of *Garcetti v. Ceballos* and because of the controversy surrounding the release of the film *Troubled Waters*, led to the preparation of this White Paper. These discussions are contained in the minutes of the committee and the Senate for 2009-11.

Note: This White Paper will refer to the tenure regulations, shorthand for the Regents Policy: Faculty Tenure.

Introduction

Academic freedom and its associated responsibilities are core values of the University of Minnesota. Academic Freedom and Responsibility (AF&R) is also the title of the University's Regents' policy, which describes these guiding principles and how they are to be lived at the University. The policy elucidates how both academic freedom and responsibility frame the work of the University and guide decisions made regarding the performance of duties and pursuit of scholarship at the University of Minnesota. The AF&R policy provides:

ACADEMIC FREEDOM AND RESPONSIBILITY  
[[http://www1.umn.edu/regents/policies/academic/Academic\\_Freedom.pdf](http://www1.umn.edu/regents/policies/academic/Academic_Freedom.pdf)]

## SECTION I. GUIDING PRINCIPLES.

The Board of Regents (Board) of the University of Minnesota (University) reaffirms the principles of academic freedom and responsibility. These are rooted in the belief that the mind is ennobled by the pursuit of understanding and the search for truth, and the state well served when instruction is available to all at an institution dedicated to the advancement of learning. These principles are also refreshed by the recollection that there is commune vinculum omnibus artibus, a common bond through all the arts.

## SECTION II. ACADEMIC FREEDOM.

Academic freedom is the freedom, without institutional discipline or restraint, to discuss all relevant matters in the classroom, to explore all avenues of scholarship, research, and creative expression, and to speak or write on matters of public concern as well as on matters related to professional duties and the functioning of the University.

## SECTION III. ACADEMIC RESPONSIBILITY.

Academic responsibility implies the faithful performance of professional duties and obligations, the recognition of the demands of the scholarly enterprise, and the candor to make it clear that when one is speaking on matters of public interest, one is not speaking for the institution.

Over the past several years, academic freedom and responsibility have been the focus of extended discussions at the University. In 2004 the Faculty Senate's executive committee, the Faculty Consultative Committee, invited a task force to "consider current issues of academic freedom at the University...given the assaults on academic freedom experienced nationwide" at that time. Their report is available at <http://www1.umn.edu/usenate/fcc/acadfreedomreport.html>.

During 2010-2011, additional experience compelled further careful discussion of academic freedom and responsibility at the University. These conversations resulted in an expanded understanding of these core values. The dimensions and nuances of the policy and its application are addressed in this White Paper, anticipating that they will provide a resource for further discussions and activities at the University.

### Sources and Nature of Academic Freedom

Academic freedom is a public good. It extends from the implicit public contract that recognizes universities as places with special obligations with respect to the search for and production of knowledge. It allows the university to defend the pursuit of knowledge by individual faculty, staff, and students, wherever it may lead. Academic freedom protects university employees from discipline or restraint based on their activities in scholarship, teaching, and service as part of their University roles. The public benefits from this protection, with the advancement of learning and creative expression.

With academic freedom comes academic responsibility, and a recognition that academic freedom has its limits. The United States Supreme Court has established that academic freedom, like the

First Amendment, is not a defense to acts such as academic fraud, slander or defamation, obscenity, or creating a clear and present danger of bodily harm (as a result of one's speech).

The American Association of University Professors (AAUP) first published documents defining and describing academic freedom in 1915, and re-visited and defended their observations in 1940 and 1970. Their comments were published because of challenges to academic freedom that arose when the U.S. was at war. During those conflicted times, the creative ideas and challenging discussions that are expected as part of academe seemed especially threatening to the country's social and political positions, and there were efforts to limit their expression.

The University of Minnesota Board of Regents acknowledged the role of academic freedom and responsibility in 1938. At that time the Board of Regents' resolution observed that in times of national crisis, it is especially important for the University as an institution of higher learning to adhere to the values and traditions of academic freedom (Board Resolution January 28, 1938).

In 1995, and again in 2009 and 2011, the Board of Regents reaffirmed its commitment to academic freedom and responsibility as basic to the University's work in service of the state. The Board of Regents policy specifically identifies the associated responsibilities as: a) performance of professional duties and obligations; b) recognition of the demands of academe; and c) candor in attributing responsibility for ideas and statements when speaking on matters of public interest.

The University of Minnesota Academic Freedom and Responsibility policy is referenced in other Regents' policies, which specifically connect these guiding principles to the University's tenure regulations and code of conduct policies and expectations. Key language from the tenure regulations includes statements that indicate the links between tenure and academic freedom and responsibility:

- "Tenure is the keystone for academic freedom."
- "Both tenure and academic freedom are part of an implicit social compact."
- "[F]aculty have the responsibility of furthering the institution's programs of research, teaching, and service."

#### Report of the Task Force on Academic Freedom (2004)

The 2004 Task Force Report also acknowledges academic freedom as a public good that is crucial to our democracy. Academic freedom is defined as an implicit contract between society and universities pertaining to scholarly and creative activities (p 4). The Task Force Report described two dimensions of this core value as the "protective" and "affirmative" components of the principle of academic freedom (pp. 5-7). The protective component of academic freedom is defined in Section II of the Board of Regents AF&R policy: Academic freedom limits outside interference with academic work, assuring scholars the right to free inquiry "without fear of punitive sanction" (p. 5). The Task Force Report also notes that in the University, a scholar's freedom to pursue knowledge and express ideas is expected to be subject to rigorous debate and scholarly review by others within the academy. The affirmative component of this principle is the culture that is required to support this unrestricted exchange of ideas protected by academic freedom. The culture supports discourse within the University that is expected to be rigorous,

respectful, civil, continuing, and both within and across disciplines (p 6). It is also noted that the affirmative component of academic freedom becomes ineffective when it becomes a "culture of offense." (p 6) The effective balance of both components is essential to attaining the benefits of academic freedom for society and for the academy.

### 2011 Insights

To varying extents, the AF&R policy extends protections to and establishes responsibilities for all who work at the University of Minnesota. Over time these protections and expectations have been most closely described and defined for the scholarly work that is produced at the University. However, as the policy provides, these protections and responsibilities also extend into the other dimensions of University work, including teaching and service. The sections below reflect insights regarding academic freedom and responsibility that were generated in 2011 AF&T discussions.

## **Who enjoys the AF protections at the University of Minnesota?**

### Scholarly Work

The protections of academic freedom are extended to all University employees who engage in scholarly work, which is also identified as original intellectual and artistic content, as part of their employment. Anyone—of any employment status or rank—who designs, creates, or discovers content as part of their University employment enjoys the protections of academic freedom; that includes professors, museum directors, artists, etc. regarding that work.

Some employees and faculty at the University have both administrative and creative / departmental positions. In cases where the person functions as an administrator, the person does not have the protections of academic freedom for the administrative work; however, when teaching and doing creative work within the person's discipline, the protections do apply.

It is important to note that the protections of academic freedom do not extend to employees (of any employment status or rank) who have been hired to complete the intellectual / artistic work of their supervisor. Anyone hired by someone to accomplish that person's design/plan/etc. is not extended the protections of academic freedom; the creative effort and responsibility remain with the supervisor who is directing the employee's effort.

In general, when a University employer hires an employee or a student to complete work as part of the employer's creative work ("work for hire"), the protections of academic freedom extend to the creative leads on the project but not to the others hired to work on the project. The protections apply regardless of the source of funding. In other words, the protections of academic freedom apply to the creative lead for a project and they apply when an employee or student is creating his/her own work. The protections do not apply when a student or employee is working on another's creative work. (Academic freedom in a "work for hire" setting should be clearly defined in the contracts and other documents that are signed in the hiring process.)

Some creative work at the University is funded by external sources, awarded to the Board of Regents, and managed through grants and contracts. When concerns regarding the connection of

a funded project with the University are raised, systems exist to review those concerns (Sponsored Projects, IRB, animal safety, etc.).

### Teaching

The protections of academic freedom equally apply to the teaching mission of the University and to all who participate in the teaching-and-learning enterprise.

According to the AF&R policy, the protections of academic freedom include "the freedom to discuss all relevant matters in the classroom." Teachers and students pursue ideas openly and broadly. Teachers decide what to include in a class and students engage fully in challenging discussions of the material. However, there are boundaries to what a teacher includes in a course and to a student's participation, and these boundaries are identified in the following paragraphs of this White Paper and are also set forth in the syllabus statement adopted by the Faculty Senate in May, 2011:

Academic freedom is a cornerstone of the University. Within the scope and content of the course as defined by the instructor, it includes the freedom to discuss relevant matters in the classroom. Along with this freedom comes responsibility. Students are encouraged to develop the capacity for critical judgment and to engage in a sustained and independent search for truth. Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.

Many of the instructional programs at the University are designed to meet particular accreditation, disciplinary, and professional expectations. Outside organizations (professional boards, accreditation groups, etc.) provide broad guidelines for what students need to accomplish in order to be prepared for their work. These expectations specify what needs to be taught at the University for these students. These externally-defined expectations, combined with faculty decisions, determine what information and materials are included in programs of study and in specific courses.

Administrators also have a voice in what is taught and who does the teaching, to ensure the institution meets its instructional obligations. Administrators (typically department heads and chairs) make teaching assignments to particular faculty members, based on the skills and interests of the faculty and the coursework that needs to be taught to meet students' broader requirements. This administrative role in assigning what is taught and by whom is consistent with the explanation in Interpretation 4 of the tenure regulations (2011).

Within these boundaries and additional specifications determined by the faculty of a unit, teachers enjoy the protections of academic freedom in preparing course syllabi, based on what they think the courses should encompass, while also including the required material. Faculty members have the protections of academic freedom to present course material in their own way, as long as that material is competently taught and represents a current review of the required materials. (See The Academy of Distinguished Teachers' set of best practices for peer review of teaching— [http://academic.umn.edu/provost/peer\\_review/](http://academic.umn.edu/provost/peer_review/))



The protections of academic freedom also extend to students, who have the freedom to engage course and class material in rigorous conversation. Faculty members can limit the students' classroom engagement to ensure that course goals are met.

### Service

As described in the AF&R policy, the protections of academic freedom also apply to the outreach and service dimensions of University employment. As written in the AF&R policy, academic freedom protections extend to the "[F]reedom to speak or write on matters of public concern, as well as on matters related to professional duties and the functioning of the University."

### Limitations on Academic Freedom

Administrators are limited in their ability to state their opinions about University positions publicly, as established in recent federal court opinions. (*Faghri v. University of Connecticut*, 621F.3d 92 (2010), bears most directly on the point.) The courts have recognized that administrators (deans and above) have the responsibility to engage in vigorous, robust discussion up to the point an administrative decision is made and University policy is defined. Once the decision is made, administrators who criticize the decision can be terminated from their administrative position (but not their tenured faculty position, if they hold one). This court decision reflects the opinion that as a public employee in a position of authority, an administrator relinquishes certain free speech and academic freedom protections as part of the employment bargain. This extends to statements that might be made before the legislature, to the media, and other public fora.

These academic freedom protections are limited in a parallel way for students and others in settings where they are employed to complete scholarly and creative projects as a "work for hire." While employed and working on the projects, these employees may participate as part of the team with rigorous debate and contributions to the process. However, once the supervisor / creative lead on the project has made a decision regarding how to proceed, the employee does not have the protections of academic freedom to criticize the work. This expectation is based on the belief that the employee relinquished that freedom when accepting the employment contract.

### **What are the Academic Responsibilities that accompany the protections of Academic Freedom?**

The AF&R policy establishes that the core value of academic freedom confers these protections in a setting with commensurate responsibilities. All employees at the University are responsible for maintaining a culture that supports rigorous academic debate and scholarly review. The responsibilities named in the policy set three specific expectations: faithful performance of duties and obligations; recognition of the demands of the scholarly enterprise; and the candor to make it clear that one is personally responsible (not speaking for the University) for remarks when participating in public discourse. These responsibilities are intended to create a respectful and civil setting that supports the University's pursuit of understanding, search for truth, and advancement of learning.

### Specific Responsibility: Perform Professional Duties and Obligations

The University accomplishes its work through the scholarly activities, teaching, and service of its faculty, students, and staff. Each University employee works either to create these work products or in support of the setting where these products are generated. When employees perform their jobs with this orienting vision, the University can accomplish its work.

For those who do scholarly work and teach, actively participating in the exchange of ideas is an essential dimension of their professional duties and obligations. Peer review is an essential part of that process, ensuring that the best ideas are considered, challenged, and debated. Old paradigms may founder, new ideas flourish, unexpected ideas emerge. This process is rarely quiet or simple, and the expected controversy draws attention within the academy and beyond, into society.

Another dimension of employee responsibility in performing professional duties and obligations is to meet the expectations of the unit for the position into which they are hired. These expectations are defined in the tenure regulations and 7.12 statements for faculty, and in parallel documents for other positions. Accomplishing the design, discovery, and creation of scholarly work throughout a career is one aspect of faculty professional duties and obligations; maintaining the rigorous debate and scholarly review expected in the setting is another. The Academic Freedom and Responsibility policy establishes that creating and maintaining the setting for this unrestricted exchange of ideas applies to all employees.

In maintaining a culture that depends on this exchange of ideas with the goal of advancing learning, there are also University employees whose jobs are to promote the University or to protect the University's name. Actions taken in service of such promotion or protection may sometimes work to undermine the University's goals by hindering inquiry, debate, and presentation of ideas, so it is critical that the importance of free inquiry be balanced against the promotional aims. More important than protecting the University's name in connection with the public dissemination of material is promoting and protecting the core values of the University. The protections of academic freedom can only be maintained when all employees within the culture support the free exchange of ideas and recognize that controversy may follow.

### Specific Responsibility: Recognize the Demands of the Scholarly Enterprise

The University's work is producing significant scholarship, effective teaching, and service to the community. Controversy must be expected, whether the controversy results from a challenging idea, performance, or presentation. While controversy is expected, it must not be a determining factor when deciding what can be taught, investigated, and/or discussed, nor should it influence decisions regarding dissemination of intellectual or artistic work products from the University. However, there are important nuances in how controversy is integrated into and managed within the University's work.

Recognizing the University's role in society's scholarly enterprise means embracing the responsibility to use academe's collective judgment in ensuring the University's work products are appropriate for an institution dedicated to the advancement of learning.

However vigorous conversation and debate becomes, these discussions need to remain respectful, civil, and focused on ideas, so the culture continues to affirm the purpose of the

University. When a culture of offense is established and the setting taints the exchange of ideas, the University's work is undermined and those employed can become demoralized.

Specific Responsibility: Candor to make it clear when one is not speaking for the institution

It is important to note that University employees have a specific responsibility described in the AF&R policy, which requires that an employee "make it clear that when one is speaking on matters of public interest, one is not speaking for the institution." It is obvious that when an employee is doing scholarly or instructional work, they are doing their University job, and thus not speaking to the public for the University. This specification in the policy notes that when an employee moves beyond the academy and into public space, it is important that the individual acknowledge that the opinions and work being presented are personal ideas and opinions, and do not represent the University's position, if there might be uncertainty. This applies when one writes a letter to the editor, submits an op-ed piece, or is interviewed for a news story.

[Suggested disclaimers include: "Professor Jane Doe is an associate professor the University of Minnesota's College of Education and Human Development. (The views represented are Professor Doe's and do not represent those of the University of Minnesota.)"]

## **Recourse**

When issues of concern arise about the protections extended through the Academic Freedom and Responsibility policy, whether to faculty, staff, or students, the matter should be referred to the Provost as the University's chief academic officer (other administrators do not have the authority to make a decision). Individual faculty members may file a case with the Judicial Committee; P&A staff may file a charge with the Office of Conflict Resolution.



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**December 8, 2011**

**Agenda Item:** Annual Update on Undergraduate Retention & Graduation Rates

review       review/action       action       discussion

**Presenters:** Senior Vice President/Provost Thomas Sullivan  
Robert B. McMaster, Vice Provost and Dean of Undergraduate Education

**Purpose:**

policy       background/context       oversight       strategic positioning

To report on 2011 retention and graduation rates.

**Outline of Key Points/Policy Issues:**

This report provides an update on the most current retention and graduation rates for the Crookston, Duluth, Morris, and Twin Cities campuses. In addition, transfer student retention and graduation rates are described for the Twin Cities campus. Progress towards meeting the graduation rate targets set by the Regents will also be discussed.

**Background Information:**

December 10, 2009, *Update on Undergraduate Initiatives*, Board of Regents, Educational Planning & Policy Committee

November 12, 2009, *The Transfer Student Experience and Welcome Week Update*, Board of Regents, Faculty, Staff & Student Affairs Committee

December 9, 2010, *Undergraduate Education Update: Progress on Retention & Graduation*, Board of Regents, Educational Planning & Policy Committee



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**December 8, 2011**

**Agenda Item:** Research as a Distinctive Part of the Educational Experience

review       review/action       action       discussion

**Presenters:** Senior Vice President/Provost Thomas Sullivan  
Wayne Gladfelter, Distinguished Professor of Chemistry and Associate Dean  
of Academic Affairs, College of Science and Engineering  
Marvin Marshak, Professor of Physics and Director of Undergrad Research

**Purpose:**

policy       background/context       oversight       strategic positioning

To present the committee with an overview of how research at the University contributes to undergraduate and graduate education programs and student learning.

**Outline of Key Points/Policy Issues:**

The University of Minnesota is one of the world's great research universities. On its campuses, at its field stations, and throughout its communities, thousands of students, faculty and staff create new knowledge and develop new examples of human expression.

University faculty use research as an educational component to engage and teach undergraduate and graduate students. Student participation with cutting-edge research and emerging scholarship provides students with learning opportunities that are distinct to the University and faculty areas of expertise. This report will provide an overview of how research contributes to teaching and learning at the University as well as examples of select student experiences.

**Background Information:**

The Board of Regents will discuss University research at its December 9, 2011 meeting (Annual Report on the Status of University Research).



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**December 8, 2011**

**Agenda Item:** Carlson School of Management Tuition Surcharge Differential

review       review/action       action       discussion

**Presenters:** Senior Vice President/Provost Thomas Sullivan  
Interim Dean Srilata Zaheer, Carlson School of Management

**Purpose:**

policy       background/context       oversight       strategic positioning

To explain the purpose behind a proposal to levy a tuition surcharge on Carlson School of Management undergraduate students.

**Outline of Key Points/Policy Issues:**

The University built Hanson Hall, which opened fall of 2008, in response to a huge increase in undergraduate applicants to the Carlson School. The additional space provided by Hanson Hall enabled the Carlson School to increase the size of its undergraduate student body by nearly 20%. The original plan was to not only build new physical space to accommodate the additional students, but also to expand the faculty in order to continue to provide the kind of quality educational experience those students expect and deserve. Unfortunately, unprecedented cuts in state support for the University have left the Carlson School at a point where state allocations are now less than 4% of its budget, and down by about \$10 million since 2006. Tuition revenue increases during this time have not offset the decline in state funding and operating cost increases, which has seriously impeded the Carlson School's ability to hire faculty (whose numbers have remained static over the past eight years) to keep pace with the close to 20% growth in students over the same period. In the absence of a mechanism to replace the decline in state allocations and grow the faculty, Carlson's hard-won excellence in program quality, student academic and career outcomes, and faculty productivity are all at risk.

The proposed solution is a tuition surcharge to be levied on all undergraduate students enrolled in the Carlson School's BSB degree program. This is similar to the practice of public school peers such as Michigan, Illinois, Texas and Wisconsin, along with other public Big Ten universities, each of which charges differential tuition or fees in their undergraduate business programs. Revenue from a tuition surcharge would be dedicated to hire and retain faculty,

would be phased in gradually over four years for all Carlson School undergraduates, starting at \$250 per semester in FY13, and reaching a steady state of \$1,000 per semester in FY16. In steady state, the surcharge will generate about \$4.9 million in recurring revenue.

Board of Regents  
Educational Planning and Policy Committee  
December 8, 2011

Carlson School of Management Tuition Surcharge Proposal

**Summary**

The University built Hanson Hall, which opened fall of 2008, in response to a huge increase in undergraduate applicants to the Carlson School. The additional space provided by Hanson Hall enabled the Carlson School to increase the size of its undergraduate student body by nearly 20%. The original plan was to not only build new physical space to accommodate the additional students, but also to expand the faculty in order to continue to provide the kind of quality educational experience those students expect and deserve. Unfortunately, unprecedented cuts in state support for the University have left the Carlson School at a point where state allocations are now less than 4% of its budget, and down by about \$10 million since 2006. Tuition revenue increases during this time have not offset the decline in state funding and operating cost increases, which has seriously impeded the Carlson School's ability to hire faculty (whose numbers have remained static over the past eight years) to keep pace with the close to 20% growth in students over the same period. In the absence of a mechanism to replace the decline in state allocations and grow the faculty, Carlson's hard-won excellence in program quality, student academic and career outcomes, and faculty productivity are all at risk. The resulting decline in quality would hit particularly hard in Carlson's flagship undergraduate program.

The proposed solution is a tuition surcharge charged to all undergraduate students enrolled in the BSB degree program. This is similar to the practice of public school peers such as Michigan, Illinois, Texas and Wisconsin, along with other public Big Ten universities, each of which charges differential tuition or fees in their undergraduate business programs. The University of Minnesota already has differential collegiate fees, which in the Carlson School of Management are used to support career and academic services. However, revenues from a tuition surcharge can be dedicated to hire and retain faculty, and to support scholarships to help students in need meet the increased costs, thus ensuring continued academic excellence and financial access at the Carlson School. The recommended proposal is to phase in the tuition surcharge gradually over four years for all Carlson School undergraduate students, starting at \$250 a semester in FY 13, and reaching a steady state of \$1,000 a semester in FY16. In steady state, this will generate about \$4.9 million in recurring revenue.

The proposal is merely a revised financial model – it does not imply any change in governance. The Carlson School will continue to be governed by all relevant University policies and procedures; nothing changes in how the Carlson School relates to the rest of the University of Minnesota. The proposal simply offers a way for the Carlson School and the University to continue on the path towards excellence and access, given the reality of declining state allocations.



## **Excellent Faculty, Exceptional Students and Outcomes**

Over the years, the Carlson School of Management has consistently made multiple contributions to academic excellence at the University of Minnesota, from its faculty which is internationally recognized for excellence in research productivity, to highly ranked academic programs, to exceptional student outcomes. These factors, combined with the quality of the curriculum and strong connections to the business community make the Carlson School a leader among public business schools and a major contributor to the economic vitality of the region.

Since 1996, when the Carlson School became an undergraduate admitting college, the reputation of the undergraduate program in business (BSB) has grown dramatically, with applications up eleven-fold, from 606 in 1996 to 6,675 in Fall 2011, resulting in 470 admits (Appendix A). This growth has been matched by an increase in applicant quality, matriculation of top students, retention rates and graduation rates that are among the highest in the University and continually exceed institutional goals (Appendix B). As for other outcome measures, 87% of Carlson School undergraduate students were placed within 90 days of graduation in 2011, with average starting salaries growing by \$2,000 from last year to \$50,500, and ranging up to \$84,000. Student debt load at graduation is manageable, with 46% of Carlson undergraduates leaving school with zero debt, and average student debt at graduation of about \$28,000 for the 54% who have loans.

## **The Challenge of Growth: Sustaining Academic Excellence Requires Investment in Faculty**

Over the past eight years, the number of undergraduates enrolled at the Carlson School has grown by 36%, from 1,693 in 2003-04 to over 2,300 in 2011-12. The total number of students at the Carlson School also increased over this period, from 4,000 in 2003-04 to about 4,700 in 2011-12.

Managing this growth poses a significant ongoing challenge for the Carlson School because the total of tenured/tenure-track faculty has stayed static over this same period, from 104 in 2003-04, to 104 in 2010-11. Among the principal constraints to growing the faculty is the decline in centrally allocated O&M state support to the Carlson school annual budget from approximately \$14 million in FY07 to \$4 million in FY12. At the same time, operating costs have increased and tuition revenue has been insufficient to offset both the increased costs and the decline in state funding. As a result, the Carlson School has not been able to grow the faculty, but has merely replaced the significant numbers of faculty departing via phased retirement and normal attrition. The declining faculty-student ratio at Carlson (which is already the lowest of all freshman admitting colleges in the university) poses a significant challenge to the ability to sustain and improve on academic excellence, puts at risk the delivery of a quality educational experience to students and particularly to undergraduates, and threatens the ability to maintain Carlson's internationally recognized track record of research productivity.

## **Goals: Increasing Financial Access while Improving Academic Excellence**

Growing the faculty to sustain and improve academic excellence for Carlson's exceptional undergraduate students requires new sources of recurring revenue, including increased tuition or fees. At the same time, any increase in tuition or fees must not negatively affect the ability of students to choose business as a major for financial reasons, although business majors overall reap significant private benefits by way of paid summer internships, high-paying jobs and lower debt loads. The land grant mission and history of the University of Minnesota conveys an obligation to ensure financial accessibility to our undergraduate program for any Minnesota resident who is accomplished enough to gain admission into the Carlson School's BSB program, but that idea is based on a bedrock of public support.

With the twin goals of improving financial access and academic excellence in mind, we have crafted a revised financial model for the Carlson School that a) assumes an ongoing commitment of State funds at current levels and b) implements a new tuition surcharge, a variation of which is becoming the norm in public research universities (see Appendices C and D). It is assumed in a) that the bedrock of State support will not be cut further as tuition revenues increase. In turn, the Carlson School would immediately increase its commitments to faculty hiring as well as to ensuring financial access by eliminating financial barriers for those Minnesota residents who qualify for admission.

## **Recommendation: Tuition Surcharge to Ensure Financial Access and Academic Excellence**

### *Tuition Surcharge for Carlson School Undergraduate Students*

Differential pricing (through tuition and/or fees) is the norm among public business schools. Nelson (2008)<sup>1</sup>, in his dissertation on differential undergraduate tuition and fees at public research institutions, found that of the 51 land-grant universities with business undergraduate programs that responded to his survey, 57% had differential undergraduate tuition by program, and that number has been increasing (Appendix C).

Of the 10 peer institutions used for benchmarking by the University of Minnesota, UCLA does not have an undergraduate program in Business. Of the nine remaining institutions, six – Michigan, Wisconsin, Illinois, Texas, Penn State and Ohio State -- use differential pricing by major for their undergraduate business majors, of as much as 45% over the base (Appendix D). Except for Ohio State, which charges differential fees, the other five peer institutions charge differential tuition.

The University of Minnesota's current resident tuition and fees of \$12,810 are still significantly below what many of our peers charge their business undergraduates: Illinois, for example, charges \$19,238 to its business undergraduates, Penn State charges \$18,182, and Michigan

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<sup>1</sup> Glen R. Nelson, 2008, *Differential Tuition by Undergraduate Major: Its Use, Amount, and Impact at Public Research Universities*, Doctoral Dissertation, University of Nebraska – Lincoln.  
<http://digitalcommons.unl.edu/cgi/viewcontent.cgi?article=1004&context=cehsedaddiss>

charges \$15,466. Three schools in our peer group (Berkeley, Florida and Washington) do not appear to use differential pricing based on major, although they charge vastly more in differential tuition to their non-resident and international students, compared to what Minnesota does. In a 2009 Carlson School survey which examined differential pricing among ten major public competitors (which partially overlapped with the University list of peers), nine of the ten schools reported some form of differential pricing involving differential tuition, differential fees, or both.

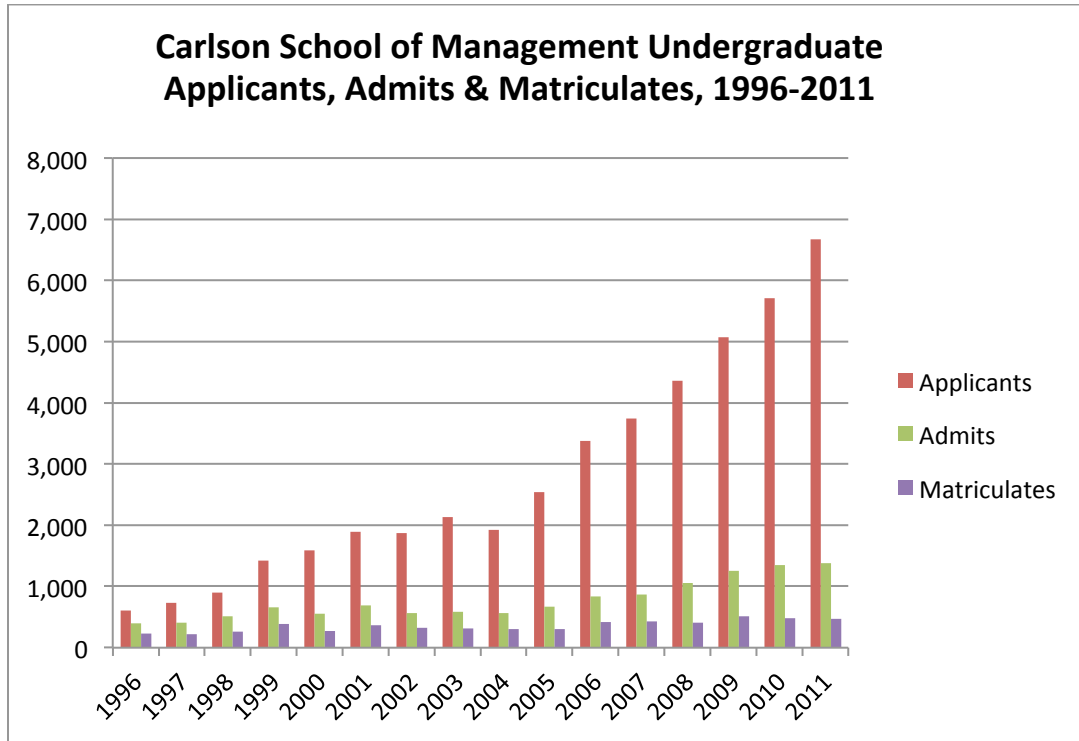
The steady increase in demand for undergraduate admissions supports a price increase of some kind for the BSB program. The present proposal is a phased-in tuition surcharge that will go from \$250 per semester in FY13 to \$1,000 per semester in FY16, charged to all Carlson School undergraduate students, which will generate additional revenues of \$4.9 million annually by FY16. The revenue generated each year would be used for scholarships to ensure continued financial access and for faculty hiring and retention.

*Amend Board of Regents Policy: Tuition and Fees*

Use of a tuition surcharge will require consideration and approval of a minor amendment to the Board of Regents Policy: *Tuition and Fees*. The administration's intention is to bring a proposal to the Board for review in February and action in March. A surcharge of the type proposed is consistent with the Guiding Principles contained in the Tuition and Fees Policy, but the section on Tuition Rates would need to be amended. Currently, the applicable portion of that section reads: "For each campus, the resident tuition rates shall be the same for all undergraduate students and the nonresident tuition rates shall be the same for all undergraduate students." Addition of the following sentence would enable a surcharge of the type discussed above: "A college specific tuition surcharge may be established as a supplement to the relevant undergraduate tuition rate."

Appendix A

**Appendix A: Historical Growth in Undergraduate Applications**



## Appendix B

### Carlson School Undergraduate Program Key Metrics

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Freshman Retention</b>	95.5%	97.1%	97.0%	96.9%	95.1%
<b>Four Year Graduation</b>	77.4%	75.4%	78.3%	75.7%	71.8%
<b>Five Year Graduation</b>	90.3%	91.8%	91.1%	89.0%	86.4%
<b>Employment at 90 days</b>	87.0%	86.0%	94.0%	89.0%	81.0%
<b>Starting Salary (Range)</b>	\$50,500 (\$24,000- \$84,000)	\$48,609	\$49,169	\$48,532	\$45,868

\*In 2008 the University of Minnesota switched to the National Survey Student Engagement (NSSE) to assess student satisfaction.

## Appendix C

### **Extent of differential tuition/ fees at a range of public research universities**

(From Glen R. Nelson, "Differential Tuition by Undergraduate Major: Its Use, Amount, and Impact at Public Research Universities", Doctoral Dissertation, University of Nebraska – Lincoln, 2008, pp. 194-195)

<http://digitalcommons.unl.edu/cgi/viewcontent.cgi?article=1004&context=cehsedaddiss>

*Note: Not all public research universities responded in this study.*

<b>Public Research Universities - <u>Business Programs</u></b>	<b>% Differential over base</b>
University of Colorado, Boulder	59
University of Illinois at U-C	45
University of Kansas	40
University of Utah	35
University of South Dakota	30
The University of Montana	22
Oklahoma State University	18
University of Arizona	16
University of Texas, Austin	16
University of Wisconsin, Madison	16
West Virginia	15
Indiana University, Bloomington	14
U of Missouri, St. Louis	14
University of Arkansas, Fayetteville	14
Purdue University, West Lafayette	13
Ohio State University	12
University of Hawaii, Manoa	12
University of Memphis	12
Arizona State University	10
Indiana U, Purdue U Indianapolis	10
University of Oregon	10

**Appendix D**

**Differential Pricing for Undergraduate Resident Tuition and Fees at Peer Schools**

(From Carlson School Survey of peers, 2009; updated through web searches, September 2011)

<b>School</b>	<b>Differential Tuition</b>	<b>Differential Fees</b>	<b>Annual Differential from Base</b>	<b>% Differential from Base</b>
<b>Illinois at Urbana-Champaign*</b>	Yes		\$ 4,824.00	43%
<b>Michigan*</b>	Yes		\$ 2,330.00	15%
<b>Penn State University Park*</b>	Yes		\$ 970.00	6%
<b>Texas at Austin*</b>	Yes		\$ 1,392.00	15%
<b>Wisconsin at Madison*</b>	Yes		\$ 1,000.00	10%
<b>Ohio State*</b>		Yes	\$ 754.00	12%
<b>Indiana at Bloomington</b>		Yes	\$ 1,080.00	10%
<b>Purdue University</b>		Yes	\$ 1,070.00	13%
<b>California, Berkeley*</b>	No <sup>+</sup>			
<b>Washington, Seattle*</b>	No <sup>+</sup>			
<b>Florida, Gainesville*</b>	No <sup>+</sup>			
<b>California, Los Angeles*</b>	No undergraduate program in Business			

\* In U of MN list of peer schools

<sup>+</sup> No mention of differential pricing on website, awaiting confirmation from schools



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**December 8, 2011**

**Agenda Item:** Consent Report

review       review/action       action       discussion

**Presenters:** Senior Vice President/Provost Thomas Sullivan

**Purpose:**

policy       background/context       oversight       strategic positioning

To seek Board approval of new academic programs and program additions, program deletions and discontinuations, and/or program changes, as outlined below.

**Outline of Key Points/Policy Issues:**

**I. Request for Approval of New Academic Programs**

- Medical School—Create Pediatric Bone Marrow Transplant Fellowship

**Background Information:**

This report appears as a regular item on the Educational Planning and Policy Committee agenda. Academic program proposal review and approval is governed by University of Minnesota Policy 2.2.4: Review of Proposals for New, Changed, and Discontinued Academic Programs. Approval by the Board of Regents is required for the establishment of new academic programs; addition of formal tracks and of new sites for existing academic programs; discontinuance/merger of existing programs; and changes in program titles/degree designation.

**President's Recommendation for Action:**

The President recommends approval of the academic program proposals detailed in the Consent Report.



**University of Minnesota Board of Regents  
Educational Planning and Policy Committee  
December 8, 2011**

**Consent Report**

**I. Request for Approval of New Academic Programs**

▪ **Medical School—Create Pediatric Bone Marrow Transplant Fellowship**

The Medical School requests approval to create a fellowship in Pediatric Bone Marrow Transplant, effective summer 2012. Students in the one-year program will gain experience in areas of alternative stem cell therapies, cord blood transplantation, genetic engineering, and immune based therapies.



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**December 8, 2011**

**Agenda Item:** Information Items

review       review/action       action       discussion

**Presenters:** Senior Vice President/Provost Thomas Sullivan

**Purpose:**

policy       background/context       oversight       strategic positioning

To inform members of the Educational Planning and Policy Committee of noteworthy items and policy-related issues affecting University units and departments.

To provide the Committee with background information related to issues of regional, national, and international policy affecting higher education.

**Outline of Key Points/Policy Issues:**

An update of the academic metrics dashboard occasionally shared with the Educational Planning and Policy Committee is attached.

**Background Information:**

This report appears as a regular item on the Educational Planning and Policy Committee agenda. Annual reports are presented to the Board on entering class profiles.

**University of Minnesota Twin Cities  
Strategic Planning Progress (December 2011)**

<b>Select Indicators</b>	<b>Strategic Planning Period</b>	
<b>Undergraduate Admission</b>	<b>2004-05</b>	<b>2010-11</b>
New student undergraduate applications	18,541	39,171
<b>First-year Undergraduate Students</b>	<b>Fall 2004</b>	<b>Fall 2011</b>
In top 10% of high school class	31%	45.0%
In top 25% of high school class	68%	83.6%
Average high school rank	79%	85.5%
Average ACT	25.0	27.5
Percent students of color	18%	18.5%
National Merit Scholars	51	166
Entering students	5,588	5,368
Retention to second year (Classes matriculating in fall 2003 and 2010)	86%	91%
<b>Undergraduate Aid</b>	<b>2004-05</b>	<b>2009-10</b>
Total gift aid	\$73M	\$137M
Total student aid	\$214M	\$322M
<b>Undergraduate Graduation</b>	<b>2004-05</b>	<b>2010-11</b>
4-year rate (Classes matriculating in fall 2000 and 2007)	33%	54%
5-year rate (Classes matriculating in fall 1999 and 2006)	56%	69%
6-year rate (Classes matriculating in fall 1998 and 2005)	57%	71%
Baccalaureate degrees awarded	6,086	7,031
<b>Global Education</b>	<b>Fall 2004</b>	<b>Fall 2011</b>
International students among undergraduate students	2%	7.7%
Undergraduate students studying abroad	1,644	2,347
<b>Undergraduate Research</b>	<b>2004-05</b>	<b>2010-11</b>
Students participating in undergraduate research program	423	664
<b>Graduate and Professional Education</b>	<b>2004-05</b>	<b>2010-11</b>
Master's degrees awarded	2,798	3,379
Doctoral degrees awarded	678	841
Professional degrees awarded	777	851
Fellowships awarded	490	737
<b>Student Enrollment</b>	<b>Fall 2004</b>	<b>Fall 2011</b>
Non-degree students	5,541	4,760
Undergraduate students	28,740	30,610
Graduate students	13,841	13,562
Professional students	2,832	3,625
Total students	50,954	52,577
<b>Full-time Faculty</b>	<b>Fall 2004</b>	<b>Fall 2011</b>
Tenure or tenure-track women faculty	637 (28%)	748 (33%)
Tenure or tenure-track faculty of color	297 (13%)	413 (18%)
Tenure or tenure-track faculty total	2,250	2,268
<b>Research</b>	<b>2005</b>	<b>2010</b>
Total research expenditures	\$549M	\$786M
Library expenditures rank among all universities (Assoc. of Research Libraries)	24th	16th
<b>Overall Satisfaction with Employment at the University</b>	<b>2006</b>	<b>2010</b>
Faculty answering "Strongly Agree" or "Agree" to satisfaction question	71%	75%
Staff answering "Strongly Agree" or "Agree" to satisfaction question	78%	77%
<b>Citizen Support of Strategic Planning</b>	<b>2006</b>	<b>2009</b>
Opinion leaders in favor of the University's strategic planning initiative	80%	84%
General public in favor of the University's strategic planning initiative	82%	85%