

Minutes*

**Senate Committee on Finance and Planning
joined by the Senate Committee on Educational Policy
Tuesday, October 5, 1993
3:15 - 5:00
Room 238 Morrill Hall**

- Present: (SCFP) Irwin Rubenstein (chair), Carl Adams, Mary Askelson, David Berg, Mark Davison, William Gerberich, Karen Geronime, Michael Hoey, Karen Karni, Craig Kissock, Fred Morrison, Roger Paschke, Richard Pfitzenreuter, Doris Rubenstein, Mary Sue Simmons, Susan Torgerson, Albert Yonas
- Present: (SCEP) Kenneth Heller (chair), Craig Bursch, Carla Phillips, William Van Essendelft, Gayle Graham Yates
- Absent: Thomas Scott, Dianne Van Tasell
- Guests: Vice President Eugene Allen, Senior Vice President Robert Erickson
- Others: Ken Janzen (Regents' Office), Maureen Smith (University Relations), Liz Eull, Julie Tonneson (Budget Office)

[In these minutes: University College; Resource Allocation Reform]

1. Discussion of University College

Professor Rubenstein convened the meeting at 3:15 and welcomed the members of the Senate Committee on Educational Policy to participate in a discussion of the proposed University College (hereinafter UC) with Vice President Eugene Allen, who is leading the planning effort for UC.

Vice President Allen began by saying he regarded this meeting as a brainstorming session. He noted that some elements of the plan are on a shorter timeline than others; the clusters have a longer period in which to act while elements such as UC and undergraduate education--which are not clusters--are expected to be acted on sooner.

He then related that he had been out of the country for a period and had thought about the retreat with the deans and planning issues; it has become apparent, he said, that some of the initial ideas about UC were not appropriate. Even what is in the buff-colored second strategic planning newsletter has changed conceptually since it was written. Dr. Allen cautioned, however, that he has not spoken with either President Hasselmo or Senior Vice President Infante about his thoughts, so they must be taken in that context.

*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.

There are a number of issues at hand, he said. First, there are students in the metropolitan area, full-time and part-time, and the University needs to know more about them, about what is needed in student services and so on; and until that information is gathered, action should not be taken--there is more information needed about the customer, as it were.

Second, it must be recognized what kind of institution the University is--a world class research institution. The fundamental activity is the creation of knowledge; that knowledge is then shared through classes and outreach. The University at heart is about research and education, but the core springs from research.

Third, everyone needs to be concerned that not all students be treated the same--not all can take classes during day hours, so there is CEE. In terms of degrees, part-time and full-time, it is expected that there would be about 1500 UC degrees and 7500 in the research university. Headcount would be about 25,000 in UC and 32,000 in the research university.

It was again pointed out by one Committee member that the President has set a goal of 50% graduation rate in 5 years for the research university--which means that 50% of the students will take longer than five years, so there will be a substantial number of part-time students in the research university. This distinction between part-time and full-time is not understandable; more important is how to distinguish students in UC and the research university. Dr. Allen replied that he was not convinced there should be a distinction.

Dr. Allen also said he did not believe the University should or could offer dual degrees--there should be only one per field.

Dr. Allen then provided the Committee with another vision for University College. Imagine a series of concentric circles to illustrate the University, its faculty, and its mission. Starting with the innermost circle, it can be used to represent research and graduate education. The next circle represents all the colleges, departments, and therefore the home base for the faculty. However, these faculty have appointments with and establish graduate programs with the Graduate School. In a somewhat analogous situation, one can use a third ring to represent University College. In this analogy, faculty would establish linkages with UC needs in a manner that is somewhat like that for the Graduate School. Thus core faculty plus adjunct faculty would be involved in delivering courses with even more integrated planning between CEE and colleges to better address the needs of part-time students admitted to degree programs in UC and the research university. Ideally, there would not be any difference in admissions standards to the degree program since it would be the same degree in UC and the research university. The major difference is the rate at which the student pursues the degree and is able to get access for the courses for it. Students not admitted to degree programs or not interested in a degree would be able to gain access to courses at the University much as they do now through CEE offerings.

The majority of students who would be in the two units are already enrolled at the University. The Twin Cities Higher Education Partnerships are new and bring new students, but the UC new programs would not bring a large number of such students.

These ideas, Dr. Allen concluded, are a deviation from the notion that the University would create

a major new infrastructure called University College; it changes the way CEE students are dealt with in terms of seeking a degree or not.

One Committee member pointed out that if the governance system is to do its job, it must have--within two to three weeks--what will be presented to the Regents in November. Dr. Allen's planning group for UC cannot possibly meet that deadline. (Dr. Allen agreed.) The second strategic planning newsletter set out a list of goals; if those are to be the basis of Regents' action, those are enough for the governance system to deal with. There must be a decision on the philosophy that the University should be serving both student populations. Not HOW to do so--that should come later. The five goal statements are about all that can reasonably be handled at this point, and discussion should be about those.

If that is the case, asked one Committee member, why is this discussion with Dr. Allen being held? Because it was originally thought that UC had to be understood by November; if that deadline has been changed, this discussion could be postponed. Dr. Allen said that was not the case; the vision of UC, with flesh on the skeleton, is expected by December.

Then, observed another Committee member, if the administration does not want the governance system to reject the proposal, it must provide a fully fleshed out version (what will be taken to the Board of Regents) within the next two weeks or so. The explanation of UC must be sufficiently full to alleviate concerns; if there is only a vague statement, the administration cannot ask the governance system to support it. Dr. Allen said one must realize how far things have come in the last month--and things could change again tomorrow.

Even without details, said one member of the Committee, the concept has problems. The goals are not content-free; they imply a commitment of resources--almost an open-ended commitment in a way the University is not now doing. UC is not just CEE but what are the differences? The same faculty as the research university? Whence the extra faculty that will be needed? CEE does not have them, and Dr. Allen has said he does not intend there would be a separate core faculty. Faculty will be reluctant to endorse an open-ended commitment away from the research university that will include them taking on additional responsibilities.

CEE would not be in the same relation to the colleges that it is now, Dr. Allen said; he envisioned that it would be closer and funds could support the need for faculty. Departments that inload instruction now, it was said, give money to CEE--because CEE does not pay as much as regular faculty are paid. Now it is being said a whole new college will be offered, which is dangerous unless there are new funds.

If UC would have the same faculty as the research university, contended one Committee member, that means spreading the same faculty over a broader span of responsibilities; how will that help the research university? Dr. Allen said that money is now being spent on faculty who are not a part of the research university but who are hired from the outside; those funds could be used to hire additional regular faculty. But if there are 2000 students, 10 faculty, and 2 outsiders in a department now, they would also be responsible for UC with the same funds; what does that do for the research university? Dr. Allen said he could not answer the question because no one has the numbers yet.

Would UC grant degrees, Dr. Allen was asked? There would not be two degrees, he affirmed.

UC students could seek degrees; what does that mean, Dr. Allen was asked. Originally the idea was that part-time students would register in UC, he said, but the curricula would be determined by research university faculty. Is this, he was then asked, anything more than a change of label on the transcript? It goes beyond teaching, he replied, and includes student services, the time courses are taught, and degrees that are available, which are different to full-time and part-time students. Does that then mean, he was asked, that the changes will be in the realm of the Vice President for Student Affairs rather than in educational matters? The curriculum would be determined by the research university faculty, he affirmed; in same or parallel courses, he was then asked. It could be both, he responded. If both, it was then said, what is the improvement? If not, what are the cost savings? Many departments now offer both the same course (inloading) and parallel courses, Dr. Allen observed.

It was then noted that CEE courses rely on a mix of instructors--regular, graduate assistants, adjunct faculty--about 40% are offered by regular faculty, many are currently on an overload basis. Funds for the courses do not come out of academic departments. In addition, the University obtains the student credit hours, which are used in presentations to the legislature for funding; most recently, that has amounted to about \$17 million because of the CEE student credit hours.

This means, said one Committee member, that either faculty take a second job or the courses are inloaded, the latter of which takes money from the research university. There is a third alternative, Dr. Allen pointed out: in some departments, the money from CEE is very regular and it could be used to hire additional faculty. That is so, it was said, but the departments lose money on the deal--either the faculty must teach more or the differences in cost must be absorbed by the department--because the departments pay their faculty more than does CEE. Funds go out of CEE to adjunct faculty, which could be retained, but that can't be done within the context of CEE. It is not clear how money could be saved. CEE pays for faculty teaching time, not research time, one Committee member pointed out.

Would UC be self-supported or would it be tax-supported like the research university? Dr. Allen said because the University receives state funds for credits generated by CEE, there is \$17 million the University would not have without it.

Mr. Berg then explained that since 1983 the legislature has funded CEE credits the same as Day School. If the University were to move to the UC design, it is very unlikely the funds would be lost, so UC presumably would be tax-supported. This is an argument that has gone on for a very long time: the issue of faculty taking on an extra teaching load and also wanting the research portion of their time funded. It is also not evident, he told the Committee, that UC tuition would be the same as tuition at the research university--UC could conceivably be higher, thus creating additional revenue.

In thinking about UC faculty, said one Committee member, it will be crucial to consider at what level they will be paid. At the CEE level? Traditionally, faculty from cooperating institutions and practitioners are paid at a low level. Is the notion that this will be a low-cost program because the pay is low? That has not been discussed, Dr. Allen responded, but there will not be a second regular faculty paid at a lower rate. Partnership faculty will be paid by the institutions in which they are appointed. Practitioners are not paid at the level of regular faculty, he agreed, but there has been no discussion on the point and all such faculty would have to approved by the regular faculty.

Committee members discussed with Dr. Allen the breadth of CEE coverage across the University

and the kinds of programs covered by other extension arms. He pointed out that one cannot forget the arenas in which the University might end up through distance education--that could lead to dynamic changes in many colleges that may not have a local draw but could have a significant draw through distance education.

It is reassuring to hear Dr. Allen say there needs to be discussion about the full-time/part-time issue, which has been all mixed up in these discussions. There are many part-time students who are seriously seeking a degree and it is comforting to know those people will not be excluded. Steps must be taken to allay concerns that there will be a second tier of students who are part-time.

When the plan was first presented, said another Committee member, there was enthusiasm for establishment of a second faculty; now it appears there will not be one. This will lead to major problems in tenuring; former adjunct faculty, who do not do research, will have to be considered. All of this will require a rewriting of the tenure code or require that these faculty be on T appointments--which have created their own problems in the past.

There seems to be "plan A" that includes UC, but it has a lot of "ifs" attached to it. What if that plan does not go through; is there a "plan B"? The University is committed to doing something about the undergraduate experience, Dr. Allen responded. Right now there is a blurred sense of who a student is, which serves neither the students nor the University well. The undergraduate experience must be improved, and some of the changes will have to do with the rate at which students are seeking degrees. Right now no thought is being given to alternative plans.

Dr. Allen told the Committee that Morris would not play any role in the changes in undergraduate education on the Twin Cities campus.

The conversation started with ensuring the University's role as a major research institution, said one Committee member, and has been converted to a discussion of the improvement of the undergraduate experience without concern about its impact on research. One must ask how enhancing the undergraduate experience will improve the research university. The different question to be asked, replied Dr. Allen, is how this research university can better serve undergraduates. That will divert from the research university; Dr. Allen demurred. The Committee member took exception to his demurrer.

There is no evidence, it was said, that improvement of the undergraduate experience will be cost-free to the research university. There have been two approaches to UC: The President says it will be separated out in order to enhance the research university and to serve a different group of students; today it is being combined with the research university to serve both groups.

How will these improvements be funded? There could be very high costs in improving the undergraduate experience in areas such as student affairs, financial aid, admissions, and so on. Where will the funds come from? An across-the-board cut in the research university?

Another Committee member recalled that the President has said the University cannot be all things to all people; he has also said he wants to have his cake and eat it, too. At one extreme of the research university, it could consist only of full-time students seeking degrees--and anyone not full-time would not be admitted. But the University tries to do everything so it offers such things as CEE, General College,

and Summer Session. It does these things while confronting the question of how to attain "purity" in undergraduate education. Maybe choices need to be made and activities eliminated. If one buys the notion of a full-time undergraduate research university, then all the confusing parts need to be pulled out. One cannot lose sight of the objective of helping full-time undergraduates have a better experience while also trying to deal with the problem of being all things to all people.

Much has been said about improving the undergraduate experience, commented one student member of the Committee, but apart from the question of two faculty the rest is administrative--one cannot see anything different for the student in classes and on campus except perhaps an entry on the transcript. Dr. Allen responded that there MUST be changes that students can see.

Recent conversations with Vice President Petersen included the faculty making the following points. First, UC will take resources away from the research university--and if not done cheaply, it will take a lot of resources. Second, there is much rhetoric about there being no conflict between cutting edge research and being a leading undergraduate institutions. But many admit they ARE in conflict--if faculty members put time into undergraduates, they have less available for graduate students and research. There are a lot of excellent schools devoted to improving undergraduate education (which there are many good reasons to do), but one cannot pretend they will improve the quality of the research university.

Dr. Allen affirmed, in response to a query, that a student would likely have a wider array of degree programs from which to choose in UC than is currently offered by CEE. In response to another question, he said he did not know if the degree would identify the student as a UC graduate. His personal opinion, he said, is that the degree should identify the location--because the four campuses are not the same. As for post-baccalaureate degrees through UC, Dr. Allen said the only possibility might be practitioner-oriented Master's degrees.

Many of these problems, offered one Committee member, boil down to the schizophrenia that ensues from the University being both a research and a land-grant university--and the insistence of the people of Minnesota that it be an exemplar of what the land-grant school should be.

One Committee member noted that the faculty are scheduled to vote on the plan in November and asked what plans are afoot to engage the faculty to obtain their support. Professor Rubenstein reported that the Committee has been charged by FCC with developing questions to the President to be considered by FCC for use at the Faculty Forum on October 21. The faculty will then vote up or down on the plan (at the President's request) at the Faculty Senate meeting on either on November 18 or December 2--and there must be enough information or the plan will be rejected. It may be that central administration is biting off more than it can chew.

One Committee member commented that he is concerned at the amount of discussion time being devoted to UC when there are so many other major issues that need attention. This is the wrong approach, it was said--a complex concept should not have to be defined just to meet a December deadline.

Dr. Allen said he appreciated the difficulties of the timetable. One Committee member observed that Dr. Allen is a well respected person and also a directed person; he has been given a mission that he will carry out. It may be, however, that the mission is at fault and he has, it is to be hoped, the option to say so.

Professor Rubenstein thanked Dr. Allen for joining the meeting; Dr. Allen said he would welcome any additional thoughts Committee members might have.

2. Resource Allocation Reform

Professor Rubenstein next asked Mr. Pfutzenreuter to talk with the Committee again about the resource allocation reform effort (hereinafter RARE). He noted, before ceding the floor to Mr. Pfutzenreuter, that this process includes defining a number of concepts with new words--this represents a whole new vocabulary on top of that already known by some.

Mr. Pfutzenreuter began by recalling that the Board of Regents has said it will evaluate the President on four objectives: strategic planning, resource allocation reform, organization, and external relations. He is working on the second, which falls between strategic planning and organizational structure. When he presented information on RARE to the Board of Regents, he pointed out that the budget process is often--incorrectly--called upon to solve problems. The budget process needs a strategic vision; it also needs a clear organization within which to work.

Mr. Pfutzenreuter then reviewed the reasons for making the changes in the budget process. He repeated that the Board of Regents said it did not like approving a budget in July when it was already in the accounting system.

In developing the RARE documents, Mr. Pfutzenreuter said he struggled with strategic planning and the daily decisions that are made and where resource allocation fits. He drew the attention of Committee members to a schematic that places Resource Responsibility Centers (colleges and administrative units) between institutional strategic planning and department decision-making. The institution makes allocations to the colleges, which is where tactical level decisions are made. Operational decisions are made by the departments. The point, Mr. Pfutzenreuter told the Committee, is to distinguish between allocations and not carry them to the minute level; this process focuses on the collegiate administration level, not day-to-day decision-making.

One problem with the earlier part of this meeting, he observed, is that it is his opinion that people are trying to solve the tactical problems of University College when they have not agreed on the strategic questions. It is very difficult to do a financial forecast under those conditions. If pressed for numbers on UC, they would be "at 60,000 feet."

One Committee member commended the conceptualization of the budget process but noted that there can be confusion about organizational levels of decision-making and strategy. While the institutional level strategic planning is long-range, it also has a 12-month budget; departments, by contrast, do not think ONLY in 12-month increments of time, because they also have strategic plans.

Another Committee member suggested that there are two parallel processes that could be reflected on the schematic. One process is strategic planning, at all three levels, that is driven by mission and goals. A second process is budgeting and resource allocation, which is driven by available funds and by planning. At each level there is an interplay between the budget and planning; the budget, presumably, is the implementation of the plan, within the constraints of reality.

It was noted that in the schedule of events the Board of Regents will take their first look at the resource allocation guidelines in December--which means that this Committee will need to see them beforehand. Mr. Pfutzenreuter explained that the final budget will be affected by a number of factors but that with the understanding that there will be contingencies, it should be possible to get the draft guidelines to the Committee. The question, said one Committee member, is if the administration wants to consult on the guidelines before they go to the Regents or if it wants reaction from the Committee addressed to the Regents about an administrative document. Messrs. Erickson and Pfitzenreuter expressed strong preference for the former; given that, it was agreed that a preliminary draft of the resource allocation guidelines would be prepared for the November 16 meeting of the Committee.

Asked what the "resource allocation guidelines" were, Mr. Pfitzenreuter explained that that is the new name for budget principles. They set the basic parameters within which units construct their budgets. The presentation to the Board of Regents in December will include a lot of numbers--base budget, additions/subtractions, projected deficit, tuition proposal, and so on. What will not be known, of course, is the amount of state funds.

The meeting was adjourned at 5:05.

-- Gary Engstrand

University of Minnesota