Minutes[*]

Senate Committee on Finance and Planning
Tuesday, December 10, 2013
3:00 – 5:00
238A Morrill Hall

Present: Russell Luepker (chair), Gary Cohen, Dan Feeney, Jennifer Gunn, Karen Ho, Samantha Jensen, Lincoln Kallsen, Kara Kersteter, Jill Merriam, Fred Morrison, Paul Olin, Richard Pfutzenreuter, Michael Rollefson, Gwen Rudney, Ann Sather, Arturo Schultz, Pamela Wheelock, Aks Zaheer

Absent: Mahogany Ellis, David Fisher, Laura Kalambokidis, Terry Roe, S. Charles Schulz, Michael Volna

Guests: Associate Vice President Julie Tonneson (Office of Budget and Finance); Vice Provost and Dean Sally Gregory Kohlstedt

Other: Belinda Cheung (Graduate School)

[In these minutes: (1) cost pool rate setting; (2) Ambulatory Care Clinic; (3) graduate student finances]

1. Cost Pools Rate Setting

Professor Luepker convened the meeting at 3:00 and welcomed Ms. Tonneson, who joined Vice President Pfutzenreuter to discuss cost pool rate setting and related issues.

Mr. Pfutzenreuter began by noting that they would not be informing the Committee at this meeting what the FY15 cost pool rates would be because they are just finishing working on them. They will discuss them with the president later in the month, and once tentatively approved, they will form the basis for the next part of the budget process, setting the budgets of the academic units.

Ms. Tonneson walked the Committee through a high-level overview the annual resource allocation process, which consists of three major components—and one must look at all three in order to understand the budget process. (Mr. Pfutzenreuter noted that this discussion is only about the state appropriations and tuition revenues.) They start with the biennial and annual operating budget "framework" and "long-range financial plan," Ms. Tonneson said, and look at the prime cost movers (compensation, facilities, presidential initiatives), at revenues, reallocation, and state actions. That sets the stage for the rest of the process; they do this in a two-year process, to align with the state appropriations process.

The second component of the process is the budget model, attributing costs and revenues to each unit. The third component is the "central" decision process. When the budget model revenue and expense attribution is applied to units, the results are not always even, so at the central level there must be decisions about what to do in order to make units as successful as they can be while at the same time balancing the budget. She made the point that the budget model does not make decisions.

Mr. Pfutzenreuter said that the biennial budget begins the framework, and they will start again with the president next summer on the next biennial budget framework. That framework is what drives behavior

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

through the entire process; he emphasized that it is an iterative process that is completely transparent. When people are upset about the budget, one must identify which part of the process they are unhappy with. Is it the president's initiatives? Cost pools? Facilities decisions? One must look at the entire process to understand how it works, he said.

Ms. Tonneson reported the FY15 budget framework (as of October, 2013), which included *incremental* revenues/resources of $43.7 million and incremental expenditures of $42.2 million, leaving a balance of $1.5 million. The incremental revenues include tuition (graduate, professional, and non-resident undergraduate, $4.5 million)), state appropriation for tuition relief and MnDrive ($14.3 million), and internal University resources (recurring, $24.9 million). Incremental expenditures include compensation ($15.4 million) as well as normal bills and an investment pool ($26.8 million).

The assumptions behind the resources and expenditures are that tuition will increase on average 3% for graduate students, that non-resident and professional tuition will be increased in various amounts, and that resident undergraduate tuition will not increase. Internal University resources means reallocation, and the target is 1.5% of the state funds and tuition. Compensation is projected at a 2.5% increase plus a fringe benefit rate decrease.

Professor Zaheer asked if these numbers are solid. They are the planning estimates, Ms. Tonneson said, and are the targets given to the units, but it is not necessarily the case that every unit will reallocate 1.5%, and the final amount from internal University resources may not be $24.9 million when the budget process is completed. Professor Ho asked why there is a projected 3% increase in graduate tuition. Ms. Tonneson said they assumed a 3% increase in all tuition except resident undergraduate; the numbers actually vary by professional and graduate program.

Ms. Tonneson reviewed the timeline for the budget development for the annual budget. It starts in early September, with instructions to support units and by late December cost allocation rates are incorporated into academic unit budget instructions, which go out in January. The president makes a budget recommendation to the Board of Regents in May and it is brought for action in June. The review and action by the Board of Regents may be early and late June, depending on the timing of legislative action.

Professor Cohen asked, apropos of support unit costs translating to cost pool charges, what incentives managers in support units have to achieve efficiencies. What reward is there for not building empires? Vice President Pfutzenreuter said there are no built-in incentives; they all work for the president and he says he wants them to cut costs. The support units also all have reallocation targets. He said that it might be smart to think about developing such incentives and said it is something the Committee could discuss. Professor Cohen said it might be wise to have something in it for managers who find greater efficiencies. Vice President Wheelock said that there is an expectation on the support-unit side that they will run as efficiently as possible; the incentive is that if they do their jobs well, and become more efficient, there can be more money spent on accomplishing the mission. She said that she has been impressed with the commitment of employees to the University, but as in any organization, change is stressful for people who know how to do their jobs; providing support for the change management process could be helpful. Professor Cohen said that managers could be rewarded for merit if they achieve efficiencies. Mr. Pfutzenreuter said the tools are available to do that; Ms. Wheelock concurred. Professor Cohen observed, moreover, that the wrong incentives can be counterproductive.

Professor Luepker said it would be helpful for the Committee to see the budget instructions. Ms. Tonneson said they are on the web, both for support and academic units.

Ms. Tonneson provided a list of the Resource Responsibility Centers, divided into two groups, academic units and support units. The academic units include all of the Twin Cities colleges, the four non-metropolitan campuses, the Agricultural Experiment Station, the Extension Service, and Academic Health Center Shared. The support units go from Athletics and Audits to the Vice President for Health Sciences and Vice President for Research (25 in all). Some of the support units receive cost pool charges (e.g., Athletics, Auxiliary Services, Senior Vice President for Academic Affairs and Provost).

The budget decisions for support units (fall)—what they talk about at the budget meetings—includes compensation, fringe benefit costs, strategic academic priorities (there are some in support units, such as financial aid and library acquisitions), and infrastructure and related costs. They have tools and resources to use in support-unit budget decisions, Ms. Tonneson said, including internal reallocation (a budget item is funded without new impact on the cost pool), additional unit earned revenues, and budget items added to the cost pool. These decisions about support units in total comprise the impact on the cost pools.

The budget decisions for academic units, Ms. Tonneson related, are similar—what they talk about at the budget meetings includes compensation, strategic academic priorities, and infrastructure and related costs. There are, however, more and different tools that can be used in budget decisions, including increased state appropriations, state appropriations reallocated between academic units, additional unit earned revenues (tuition, indirect costs, gifts, etc.), and unit internal reallocations.

Ms. Tonneson reviewed the amounts during the current fiscal year (FY14) for the 9 primary cost pools. The largest is Support Service Units (controller, human resources, University Relations, General Counsel, public safety, etc.), at $102.7 million; next is student services at $85.5 million (which includes student finance, honors, admissions, the Graduate School, etc.), then Facilities Operations and Maintenance at $79.5 million, Information Technology at $66.3 million, etc. She also reviewed the basis for the charges for each cost pool (e.g., the facilities cost pool is based on assignable square feet, utilities is based on actual use, information technology on headcount).

Mr. Pfutzenreuter observed that there might be no increase in the dollar amount of a cost pool but an academic unit could nonetheless see an increase in its charges because of a change in the factors that determine the charges (e.g., an enrollment increase would lead to increased charges for information technology).

Professor Luepker said that many of the charges are historical in origin, because someone made a deal years ago. Professor Morrison said it was not so many years ago, when the budget model was created; before that, Morrill Hall paid the electric bills and much else and costs were not attributed to anyone. There is now an incentive to get units to turn off the lights or Mr. Pfutzenreuter has to pay the bills. Professor Cohen said he understood that point but those incentives do not exist for support units. Mr. Pfutzenreuter said that Vice President Wheelock has an energy unit that started buying futures years ago, in order to save money, but there was no "incentive" for them to do so. Another incentive, Professor Cohen said, is that if a manager can save money in one place, it can be used for other unit priorities.

Professor Zaheer asked if it is the expectation that service levels will not drop when budgets are cut. Is there a way to monitor service levels? Mr. Pfutzenreuter said he believes the support units strive to be as efficient as they can. As the University moves to shared services, Professor Zaheer's question must be part of the dialogue. Ms. Tonneson recalled that a number of years ago Facilities Management changed the number of days that custodians emptied wastebaskets as part of budget cuts; in that case there was a defined service level. In the case of the Office of Budget and Finance, however, there is no clear service level; it may just be that returning telephone calls may take longer, with fewer staff. They do ask about the impact of budget cuts on service levels during the budget discussions, she said, and often there isn't an impact—but sometimes there is.

Ms. Tonneson reviewed one of the 9 primary cost pools to illustrate how changes can occur and the variety of reasons for changes. They include new investments, transfers between cost pools, reductions in support budgets, and the impact of the double-step-down (a complicated financial transaction involving adjustments to cost pools).

The Committee next looked at changes in cost pools (major pools) from FY07 to FY14; overall, Ms. Tonneson said, there have not been significant changes. Support Services are flat, Facilities have dropped, Student Services has increased because of marked increases in student financial aid. The line on the graph for the libraries is nearly horizontal. (Student aid was actually split into a separate cost pool in FY12, and Ms. Tonneson affirmed that the aid portion has increased while the budgets for student services have been flat.)

Professor Cohen commented that those in the liberal arts should not be sanguine about the flat line for the libraries cost pool because there have been large increases in journal and book costs as well as exploding digital costs. But the libraries have the same budget. Mr. Pfutzenreuter said there have been funding increases for licensing costs, but the libraries have also reduced their staff. Ms. Tonneson recalled that Provost Sullivan had told the libraries they could not reallocate funds from collections, so any reductions had to come in staff. Mr. Pfutzenreuter reminded the Committee that during this same time, FY07 to FY14, state support for the University decreased from $709 million to $543 million, cuts that placed enormous stress on budgets.

Professor Luepker said that if he ran a service unit that was in a cost pool, would he have to fund the 2.5% compensation increase out of existing resources or could he ask for increased funding to pay for it? Would he be subject to the 1.5% reallocation? Mr. Pfutzenreuter said that every unit was given a 1.5% reallocation target and units must ask for new investment dollars or for compensation. The requests would be considered, but there is nothing automatic.

Professor Luepker said it would be useful for the Committee to see cost pool comparisons over time, after the holiday season. He thanked Ms. Tonneson for her explanation of the operation of the cost pools.

2. Ambulatory Care Clinic (ACC)

Mr. Pfutzenreuter began by explaining that the Ambulatory Care Clinic (ACC) will be constructed and owned by the University; the groundbreaking will be next week and completion is expected by the end of the 2015 calendar year. The ACC will have about 331,000 gross square feet and will house both Fairview and University of Minnesota Physicians (UMP) clinics. Fairview and UMP have formed a new joint venture, temporarily called "Newco" until a name is chosen, that will assume ownership of the outpatient clinics at UMMC (the hospital) owned by Fairview as well as outpatient clinics owned by UMP. In addition, Fairview will have hospital-based clinics in the ACC. The Newco board will have 12 members.

The Integrated Structure created last spring, Mr. Pfutzenreuter said, formed an entity between Fairview, UMP, and the University that oversees the management of UMMC, the clinics, and Amplatz Children's Hospital. The Integrated Structure has a board of 12 members—it is that board that will also serve as the board of Newco. UMP has been engaged to manage the clinics. Fairview and UMP have signed a lease on the ACC for 30 years, which can be extended up to 3 times for an additional 16 years.

The University has an academic affiliation with Fairview (which has a window for review in about 10 years, at which point the parties must decide if they want a new agreement); if the University decides unilaterally not to extend the agreement, it can terminate Newco's and Fairview's lease on the ACC.

The base rent charged to Newco and Fairview is set to cover the University's financing costs for the ACC; there will be additional rent charged for utilities and so on.

In addition to the building, there will be about 500 parking spaces made available for the ACC, including 400 in the Oak Street Ramp and 100 spaces to be constructed on land adjacent to the ACC, Mr. Pfutzenreuter reported. The spaces in the ramp have been worked out with Parking and Transportation Services.

Finally, Fairview and UMP have signed an irrevocable agreement of debt service guarantee: they will promptly pay the building debt if the University does not receive the base rent, Mr. Pfutzenreuter said. Professor Luepker responded that if either Fairview or UMP has not paid the rent, that most likely means they are broke.

Ms. Jensen asked if the ACC is replacing something else. It is, Mr. Pfutzenreuter said; the clinics in the Philips-Wangensteen building will move; Philips-Wangensteen will then need to be re-purposed, which will be a big expense down the line. Professor Morrison asked if *all* the clinics will move; the vast majority, Mr. Pfutzenreuter said, although not all.

The total cost of the ACC will be about $206.5 million, Mr. Pfutzenreuter said, of which $41 million will be for medical equipment (which is not being financed by the University but by the occupants), leaving about $160 million plus $5 million of personal property (computers, software, etc.) that will also be financed by the tenants; after a $10 million gift from the Masons, the University will finance the remainder of $150.5 million plus and estimated $12 million of capitalized interest during the construction of the ACC, and the base rent will cover the cost of financing. The payments will cover the total cost of construction over 30 years, the length of the lease.

Professor Luepker thanked Mr. Pfutzenreuter for the update.

<u>3. Graduate Student Finances</u>

Professor Luepker welcomed Vice Provost Kohlstedt to the meeting to discuss graduate student finances. He noted that the cost of education has long been an issue, and has received even more attention recently as costs have skyrocketed. This has been especially true in the health sciences, but also in graduate and other professional education: students are borrowing more money to complete their education. The Committee spoke earlier with deans of Law, Medical School, and Carlson School of Management about the problems in their fields; he then met with Dr. Kohlstedt and asked her to talk about the same problems with graduate students.

Vice Provost Kohlstedt said that graduate student debt is an issue, although it has not received as much attention as undergraduate debt levels. She said she would talk about the erosion of support for graduate students in general, declining graduate enrollment in some colleges, and what is happening with graduate tuition.

Stipend expenditures for graduate assistants, fellows, and trainees declined in nominal dollars from FY09 to FY13, Dr. Kohlstedt reported: from $80.5 million to $79 million for assistantships and from $22 million to $21.5 million for fellows and trainees. These are the major sources of support for graduate students, and because some stipends have increased, there are fewer students receiving support.

In the meantime, over that same period, graduate tuition has increased 30%, health care costs have increased 9%, while FICA and Medicare have declined 1%. The result is that a half-time GA position costs a unit about $38,000 (with a range from about $34,000 to over $40,000), which raises questions about whether departments and faculty can afford to hire graduate students. Professor Luepker noted that the $38,000 is half-time, so compared to the cost of a postdoc or employee, the cost is very high.

Total expenditures for graduate assistants, fellows, and trainees increased slightly, from $156 million to $161.3 million, Dr. Kohlstedt reported. O&M expenditures declined 2.3% while sponsored funding increased 6.7% and "other" funding (e.g., endowments) increase 15.2%. The sponsored funding increased as a result of federal stimulus funding and has dropped the last two years; thus these "other" funding sources are volatile.

The net result is that the amount available for graduate student support is in decline, Dr. Kohlstedt concluded.

Professor Feeney asked if anyone has looked at demand versus output. Is the funding dropping because the demand is dropping? Should funds be reallocated? Dr. Kohlstedt said there has been considerable discussion on that point; the relationship between demand and supply varies by field. What she sees in the liberal arts is the question of where students are going—and it appears that most are finding employment where they are using their training and skills. The institution needs to track placement better in general but many departments report that they are placing their students and often being creative in using research and communication skills in positions beyond academe.

Dr. Kohlstedt turned to enrollment data. From fall 2008 to fall 2012, for all degree objectives, domestic enrollment was down 11% and international enrollment was unchanged. At the Master's level, domestic enrollment was down 15% while international enrollment was up 13%, for a net decline of 12%. At the Ph.D. level, domestic enrollment was up 4%, international enrollment was down 7%, for no net change overall. These data raise the question of how the University and specific programs can work strategically around the issues of enrollment and support for graduate students.

Professor Feeney said that if the argument is that the University needs to support the same number of graduate students, then it needs to identify the revenues to do so. If the question is the "utilization of outputs," then perhaps enrollment needs to be adjusted. Maybe enrollment should be reduced if there are no jobs; has that question been examined? Dr. Kohlstedt said that all the deans are paying closer attention to placement. In terms of the number of programs eliminated and added over the past three years, the number balances almost exactly—which she said she finds acceptable because that indicates the colleges are identifying programs that are no longer central to the University mission and also innovating in creating new programs where opportunities emerge.

Professor Gunn, apropos of Professor Feeney's question, said that one must also think of the University as a consumer of Ph.D.s; it may be that a greeter at a store makes more money than an adjunct faculty member. Nationally, 50% or more of college-level teaching is being done by part-time adjuncts. With the changes in the fringe benefit rates here, it becomes even cheaper to hire non-tenure-track faculty. If universities are consumers of the Ph.D. "product," they must see the metrics of placement of graduates in part as a function of its actions as one of the primary employers of PhDs. Professor Feeney said there is the law of supply and demand; if there were not so many Ph.D.s available to work as adjuncts, universities would not be able to hire them that way.

Dr. Kohlstedt next reviewed the graduate tuition schedules (from the web) for 2010-11 and 2012-13 and noted the wide variety of tuition charges, some of which reflect entrepreneurial activities on the part of some programs. The base graduate tuition went from about $6,000 to about $7,500 in that period; a large jump in just three years. But there are two things that also affect student cost: tuition and fees. There are multiple number of fees in various programs and they all go up over time. The fees now are $414 per semester plus any separate college fees.

Dr. Kohlstedt provided the results of a Council of Graduate Students survey about funding, fees, and financial information. They show that while a number of graduate students say the stipends (barely) are enough to live on, they are taking out debt to pay the fees. The fees are a problem. They also reported that the majority of graduate students do not incur debt while seeking their graduate degree, 10% incurred debt up to $10,000 and 5% incurred debt over $100,000, and the numbers vary significantly by discipline (the entire survey results are found athttp://www.cogs.umn.edu/docs/survey/COGS%20Survey%20Report%20Final%20Draft.pdf).

Graduate students do find themselves under financial pressure and would like more financial/debt counseling, Dr. Kohlstedt said. This is not an area where the University is unique; the topic arose at the recent national meeting of graduate deans: how to advise graduate students on finances.

In terms of help with the dilemma, there are three questions, Dr. Kohlstedt said. What should the tuition rate and level of fees be? What can be done to work with graduate students on finances? What can be done to increase financial support for graduate students? She reiterated that she understands the issue of supply and demand, but demand is increasing, which is the reason students come from around the world.

Professor Feeney recalled that he had, at a previous meeting, raised the question of the sustainability of the financial model for graduate and professional education, whether in the Academic Health Center, History, or engineering. It is not only a question of student debt but also of online competition. There will likely not be much more money from the state, tuition has gone about as high as it can (as has student debt), so one needs to ask what the right size of programs is and the number of students that should graduate in each discipline—or the programs will run out of money.

One of the subcommittees of the Special Committee on Graduate Education was on enrollment management, Dr. Kohlstedt observed, and this is an area where the deans have more responsibility. CLA has retrenched graduate enrollment in some programs, for example, so those kinds of adjustments are being made, on a case-by-case basis.

Professor Schultz said that cutting the number of graduate students does not have any immediate effect because units have fixed costs, and reducing the number of graduate student simply means an increased cost per student. Or the program could be cut, Professor Feeney said, which is "where the rubber hits the road." He said he did not believe the University could continue to offer the number of graduate programs it currently has.

Professor Ho noted that she is on the Special Committee on Graduate Education and said that if the mission is an expanded research trajectory, the training of future teachers and scholars, and an educated community, a simple cost-benefit analysis does not account for the research mission or providing an educated public. The Special Committee agreed that a mission-centric view exceeds a cost-benefit view, and graduate students are central to the mission. Graduate students are not just older undergraduates, she said, they are scholars-in-training and essential to the research mission. The Special Committee recommendations will include finding tuition alleviation and an alternative model for fees (e.g., staggering them, or paying them later or at the end of the term, waiving them, or calculate them into the cost of a stipend). Dr. Kohlstedt said that graduate students have asked about paying the fees over time, but the logistics seemed very complicated. Mr. Kallsen said the University does have a payment plan for students: three payments over the semester. But that includes a fee, Dr. Cheung observed.

Ms. Kersteter said that the stipends are not very large and units need to declare the fees up front when they make offers. Her department tells students that they will have to pay back about 10% of their stipend in fees, which is daunting when stipends are less than $15,000 per year.

Professor Gunn said she was aware that there is a big difference in stipends among the University's peers; are other institutions also charging fees like the University? Dr. Kohlstedt said she has not looked to see. Professor Luepker recalled that the Committee has looked at fees in the past; students are not happy about them.

Professor Olin said that some fees were imposed when tuition could not be raised, and it would be better to get them rolled back into tuition. Professor Morrison said that fees fall into categories: real fees (such as for the *Daily*), and program fees (which are much like tuition). The Office of Budget and Finance has struggled with fees and would like to make them simpler, but that has been a challenge because units need the fee income to balance their budgets.

Dr. Kohlstedt said she believes some students are being informed about the fees, in letters of acceptance, but while the actual extra costs are about $1,000 more than tuition, even when they have been informed in advance, the charges are a shock. She said she believes the University must help students understand what they will be charged and their costs; some units provide a sample first-year budget that includes the fees. Mr. Kallsen said that graduate student fees are consistent with what undergraduates pay; this is not just a graduate student issue.

Professor Luepker followed up on the question of whether the University has a sustainable system. The Committee has talked for several years about the likelihood that state funding will not increase, or not significantly, and that tuition has been pushed as high as possible, to the point that students and their families can't pay it. NIH has limited the amount it will pay in tuition, so that has also affected students. If the pot of money is fixed and there are no new resources coming in, the institution may need to make substantial structural changes. When the Graduate School was changed, one of the most-debated matters was how to split up doctoral fellowships. This is a problem that needs a deeper solution than transparency about fees.

Vice Provost Kohlstedt said she agreed with Professor Ho, that one must think about what the state and nation need in academic contributions, what is best for graduate students, and what is best for the University. If the University—alongside other research universities generally—loses momentum in graduate education, the country will be significantly and adversely affected. There is often talk about a "high tuition, high aid" model for undergraduates but it is important to remember that most graduate students rely on support that is not simply financial aid— they earn the money by teaching or doing research. If there is a capital campaign, the University should make graduate education a high priority.

There is another structural change that affects disciplines where graduate students are not on funded research projects, such as the social sciences, humanities, and arts, Professor Cohen said. In those fields, the major source of support has been TAships for large undergraduate classes. The trend, however, is a sharp decline in enrollments in such courses, so there is support for fewer TAships. So, in response to Professor Feeney's question, there has been cutting already, and it looks like a structural change, not just a temporary trend. The question comes up around MOOCs as well, Dr. Kohlstedt added: "will they put us out of business?" But to have a good MOOC that earns credit requires a lot of people, including graduate students who do grading, on line tutoring, and other educational support. That is only true if *the University* is offering the MOOC, Professor Cohen observed—it is not paying graduate students if it is not offering the course and having them assist with teaching. Dr. Kohlstedt said the University is not in the MOOC business in a major way, in part because those courses are very expensive to offer, but it is experimenting.

Professor Schultz said what he has encountered is the use of advanced undergraduates as graders, to take the place of graduate students, a change caused by cost pressures. This reduces the opportunity for graduate students.

Professor Gunn said that institutions are increasingly judged by time to completion, but a large number of graduate students are working outside the assistantship, a fact that must be having some effect on completion. At the same time, Dr. Kohlstedt pointed out, the time to completion has been decreasing and the graduation rate increasing. She said she hopes that graduates are getting real jobs that allow them to pay off their debt. There appears to be the mentality that educational debt is like an investment, unlike a mortgage or car loan or credit-card debt. It may be necessary to remind students that it is real debt—but such counseling is only a bandaid and it is essential to address the larger structural questions.

Professor Schultz said there needs to be some soul searching on who the stakeholders are in graduate and professional programs. For a long time it was the state and federal governments, but their contributions have decreased, so now the University needs to identify who would suffer if the number and/or quality of University of Minnesota graduate and professional students were to decrease. In some cases, corporate stakeholders may have resources they can provide, but that is different in the case of arts programs, for example, Dr. Kohlstedt said. Graduate students are employed and provide leadership throughout the state in non-profit organizations, in art and theatre activities, as well as at major research companies and all of them value their skills. It may be that we can work with those who have less discretionary funding to provide internships and opportunities to prepare students for the array of possible careers.

Professor Luepker asked how private universities are doing, when they are so much more expensive. They have billions of dollars in endowments, Dr. Kohlstedt said, and have many more resources at every level, including both in the number of fellowships for graduate students and an array of professional and academic program staff. They are also serious about philanthropy, Professor Luepker said. Or the students enter wealthy, earn a lot of money, and can give more back to the institution, Dr. Kohlstedt said; the University needs to be ambitious even as it is realistic. Professor Olin suggested that perhaps there is need for a capital campaign for graduate education.

Professor Luepker thanked Vice Provost Kohlstedt for joining the meeting, and adjourned it at 5:00.

-- Gary Engstrand

University of Minnesota