

Minutes*

Senate Committee on Finance and Planning February 19, 1991

Present: Burton Shapiro (chair), Avner Ben-Ner, David Berg, David Biesboer, Bill Chambers, Edward Foster, Virginia Gray, Michael Hoey, Craig Kissock, Nick LaFontaine, Paul Madison, Fred Morrison, Jeff von Munkwitz-Smith, C. Ford Runge, Mary Sue Simmons, Charles Speaks

Guests: Robert Dickler, Roger Forrester, John Howe, Ken Janzen, Thomas Kuhlman (a principal with the consulting firm of TPF&C), Peter Zetterberg

[Note: Because the health plan issue is of such concern to the faculty, and because Mr. Dickler spoke in complete, clear, explanatory sentences, his comments are reproduced almost verbatim in these minutes. For those individuals who are currently enrolled in Group Health, this discussion may be of only passing interest except for the points raised under the subtitled paragraphs Option One, Option Three, and Option Four, below. The remaining discussion from this meeting, about the report of the Task Force on Liberal Education, will be distributed later. --GE]

1. Report of the Chair

Professor Shapiro began the meeting with a report on the status of the search committee for the Senior Vice President for Finance and Operations. They reduced the list from 398 nominations or applications to 11; the committee is elated with the candidates.

In trying to convince the candidates of the unusual consultative process at the University, he told the Committee, he has reflected on the effect of this Committee in the past year or so, on the subjects discussed and about which the Committee has persuaded central administrators to modify their proposals. One example is salary increases; another includes the upset on the part of the Committee about how the health plan was changed without any consultation.

2. Discussion of the Health Plan Proposal

On that note, Professor Shapiro welcomed Mr. Dickler to the Committee to discuss the health plan proposal.

Mr. Dickler began by explaining the elements of the proposal developed by the task force. The University has participated in the State fringe benefit insurance programs for a number of years. Over the past 4 - 5 years those programs have undergone considerable change. There has been a valid perception that the plans have not been developed with consideration of the University's requirements and concerns.

* 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.

The Task Force has met for about a year, with biweekly meetings, and took up its work without any preconceived notions about the outcome. When it concluded its deliberations, the Task Force voted by an overwhelming majority (20 - 1) to recommend to the University that it separate from the fringe benefit insurance programs of the State and that it do so in a short period of time--the new health plan is recommended for adoption on January 1, 1992.

The University cannot separate from the State and offer the same programs that currently exist at the same price. The University is currently being subsidized by the State; the utilization patterns of the University population are higher than those of the State employee population, for a variety of reasons. Nor, he said, can the University return to an indemnity program with a reasonable cost to the employee. The cost of a pure indemnity insurance program has outstripped the resources available, both to the University and to the employees (with some exceptions, of course; some employees can afford anything). In the majority of cases, the costs have become prohibitive.

Having realized that, the Task Force has concluded that the University can implement a program which provides its community with a number of options, which in aggregate meet the needs identified both in the survey and by Task Force members. In the majority of cases, the Task Force believes, individuals will be better off economically and in terms of their flexibility with the program it recommends. It is not the case, he cautioned, that every individual will view the program as better. In some cases, depending on what they choose to do, the way they use health care, and who their current providers are, individuals may incur higher premiums or out-of-pocket costs. Specifically, those enrolled in MedCenters and Share have the highest probability of being adversely affected. Those currently enrolled in the State Health Plan and PHP, economically, will be better off--and in all likelihood will not be disadvantaged in terms of health care provider. Employees enrolled in Group Health will be least affected.

Certain factors must be kept in mind as the Task Force recommendations are considered. There is a difference between an insurer and a provider, he pointed out. Many people have said they wish to stay with PHP or MedCenters or Share; in all cases the providers are not the employees of those HMOs or insurers. They are providers who contract with those HMOs or insurers. There is nothing which says, a priori, that they will or will not be part of a network that might be formed by the University. In most cases, those who do not want to leave PHP or the other providers really mean that their physician is a member of that network and they don't want to leave their physician.

There is also a natural inclination to compare that which is proposed by the Task Force with that which exists today. Mr. Dickler urged that this comparison not be made in any totalistic way. It is unlikely that the State insurance program will remain static in the future. It has seen major change over the past several years. The same factors which affect the University and the health care system will affect the State. There are also dynamics in the community which will lead to change even if nothing else does; the recent merger of PHP and Share is an example.

Taking into account all of these factors, Mr. Dickler told the Committee, the Task Force is recommending the development of a four-component health insurance program for the University. Three elements are easy to understand; the "Choice Option" is the most complex.

Option One The first option is continuation of a singular HMO option. The presumption is that

that would continue to be Group Health, although until a Request for Proposals is completed there is no way to know that with certainty. The presumption is based on the fact that that is now the lowest-cost option. Approximately one-half of Twin Cities employees belong to Group Health. The preliminary indications from the HMOs--and they have all been contacted--is that the pricing would favor Group Health. The price to employees will be approximately the same or slightly less than that of the State plan.

Option Three The third option is a catastrophic health insurance program. That is being proposed because there are a number of individuals in the University who have dual coverage; the most common case is where both spouses work for the University. Those individuals have redundant health insurance; in some cases they have deductibles and co-insurance or limitations which would be accommodated by a catastrophic program. There will also be a percentage of University employees who feel, because of where they are in their lives, that they do not require extensive or first-dollar health insurance coverage. A catastrophic option, which would include a rebate to employees for a single policy, would be advantageous for that group.

Option Four The fourth option is the ability to opt out of the health insurance plan entirely. This is recommended as an option but only with evidence of insurance. Some have asked why it should not be the employee's option to decide whether or not they have health insurance. While not trying to be overly-paternalistic, Mr. Dickler said, the Task Force believes that people who have no insurance but who have a major problem turn to their employer for assistance when the problem arises. The experience of other organizations who have permitted employees to forego health insurance has been negative; the Task Force did not believe the University should place itself in that position. Individuals who select this option would receive a higher rebate than those who select the catastrophic insurance plan but evidence of insurance will be required. This option, again, is most likely in the instance of a married couple when both are employed and covered by an employer plan.

Option Two The second option, the "Choice Option," has two major elements. The core of the program is a preferred provider network that would be developed for the University community and would use a "gatekeeper" system. An employee would be required to enroll with a primary care provider, who is part of the network, who would be responsible for managing the employee's health care.

For example, one is enrolled with a community primary provider, develops a severe ear infection, and believes he or she needs to see an otolaryngologist. If the employee is covered by the "Choice" option and wants first-dollar coverage of health care, he or she would have to go to the primary care provider, who would make the determination of whether or not a specialist is required and who would direct the employee to a specialist who is part of the network.

The reason for a "gatekeeper" system is to control utilization--what some describe as over-utilization. The disadvantage is that the system is a constraint on choice, both in who is in the network as well as being required to go through a primary care provider before seeing a specialist.

Given the high level of University-employee concern with choice--one clear message to the Task Force was that this system, by itself, would be unacceptable--the program has been designed with an out-of-network option. Compared with most indemnity programs, the proposal has reasonable co-insurance and deductibles. The Task Force is projecting, for this option, out-of-pocket limits: a \$300 deductible and an 80/20 co-insurance provision, up to \$1500 for an individual and \$3000 for a family. Further, an

employee would have the option of moving in and out of the network at his or her discretion. In the example of the ear infection, one might be perfectly satisfied with the primary care provider and the specialists in the network until six months into the year; if the primary care provider refuses to refer or the specialist is not part of the network, the employee may make an appointment with the specialist and receive care--while continuing to receive all other care within the network.

In trying to evaluate if this is a reasonable approach to balance the provision of networks and resources on a first-dollar basis with opportunities for choice on an out-of-pocket basis, the Task Force spent considerable time looking at the aggregate financial impact on individuals. In considering whether or not this is a viable approach, that is a critical element; one needs to consider the total amount of money an individual may need to spend on health care rather than simply looking at the premium.

Why not continue the multiple options that are now available? Part of the answer, noted previously, is that they cannot be replicated for the University at the same cost. Another reason is that by developing a much larger pool of employees in a single program the University will have the ability to offset the costs inherent in the population between people using the preferred provider "gatekeeper" network and the people using indemnity-type benefits. As various plans were considered, the Task Force tried to make conservative projections about the rate of out-of-network utilization and compared them with experiences of other employers and industries that have had the option.

This is not a perfect solution but is the one the Task Force believed provided the best blend it could find, trying to balance the interests of the faculty and staff and the need of the diverse geography of the University. The Task Force encountered significant difficulties at the coordinate campuses in providing access to health care providers of the employees' choice; this plan enhances their ability to choose while giving the University a base for developing an adequate and appropriate network.

The Task Force does not know how big the network will be; that will not be determined until the Request for Proposals process is completed. The University will be asking all responders to provide, if they are willing, several options--they will price a network at a certain dollar amount and then include information on what the price would be if the network were larger or smaller. Because the University's liability is geared to the lowest-cost option, this becomes a question of what cost the employees and faculty will incur. The balance will have to be struck if the program goes forward; decisions will have to be made between the out-of-pocket premium costs individuals will incur versus the scope of choice permitted in the network.

The fringe benefit insurance program goes beyond health insurance; it includes life and disability insurance as well. The Task Force has also examined these and has, in some cases, recommended modification or consideration of modification. Implementation of any changes should be made by January 1, 1993, as part of a full flexible benefits program. The Task Force concluded that individuals should, to the degree possible, be able to be individualize their insurance programs. The catastrophic and no-insurance options would free up funds for individuals to use for other types of insurance.

The Task Force did not propose this program, Mr. Dickler said, simply because it thought it would be better in 1992. As it looked ahead, it concluded there will be significant issues related to the provision of health care. Many providers are "out of control," he said, and major issues will need to be dealt with.

A decision to separate from the State, the Task Force believes, will give the University the ability to respond to the concerns of the University community--something it has had limited ability to do up to now. Decisions about the State program are made primarily through the labor-management committee of the State, the mandate of which is to meet the needs of State employees and the financial parameters of the State. The Task Force met with representatives of the State plan; they were not opposed to the University continuing in the State program but made it very clear that the University's priorities, if in conflict with or even neutral with respect to their priorities, will not be their list of things to deal with. That is not an inappropriate position for them to take, but as the Task Force looked ahead to grappling with changes in the future, and the concerns of the University community, it believes the separation gives the faculty and staff an opportunity it has not had until now.

One Committee member asked Mr. Dickler: Since the University's contribution is defined by the cost of the lowest organization--probably Group Health--what difference would it make to the University's cost to have a fifth, broader option, whether HMO or general insurer? Mr. Dickler replied that it would make no difference.

Then the reason that additional option is being excluded, it was said, is paternalistic: A faculty member should not choose it. Mr. Dickler demurred. The Task Force, he said, was looking for a program that would provide a network system and a high level of choice with limited financial consequences. Inherent in trying to do so is the need for a large base enrolled in and using the program. If the University population is further segmented by additional options, what results is a group of options that become more and more adverse-risk in their composition and that begin to price themselves out of the bounds of most of the population. The consequence is that each year there is a level of dislocation in enrollment patterns and the ability of the insurers to predict what their exposure will be. The Task Force concluded it would be better to limit the number of choices and try to retain a balanced option that could provide both reasonable premiums to the University as well as limited out-of-pocket exposure.

Mr. Kuhlman concurred. It is known, for instance, that for a PHP contract--the broadest option--for University employees, separate from the State, the rates would be 10% higher (because the group uses more health care). Holding the University subsidy constant, the actual cost to employees would be 25 to 30% higher. Over time, that differential would become greater because more people, over time, are affected by price--they will pick lower cost coverage because they will not spend as much as it will cost them in contributions. Thus the per-person costs, for people who use more health care, will increase even further. The Task Force considered several models; in two to three years it is possible that the employee contribution for family coverage could reach \$3000 - \$4000 per year for that option. There comes a point where the University exercises some paternalistic control and chooses not to have options which will price themselves out of the market.

In considering the "Choice" option, even though one might choose a provider outside the network, and incur co-insurance payments and deductibles, the premium is also substantially lower. The combination of the two, for family coverage, will result in a lower cost whether one goes in- or out-of-network. (The cost for single coverage would not be that much different.)

Any change will affect people, both those who can afford to pay any price as well as those who have limited means. Paternalism does enter the considerations; the University wants to have a program that is affordable for the broad cross-section of the population; the "Choice" plan offers more to more

people.

There are also external factors, he explained. The Task Force had conversations with all of the HMOs and providers; they discussed their reactions to a number of situations. One possibility that could result, over time, for an option such as PHP would be that it would continue to get the highest users and that it would decline to accept the risk for the coverage. The University would have to self-insure; he said he could not recommend to the University that it self-insure the highest users with the least amount of predictability in costs. It is also more likely, he said, that PHP would want its costs and benefits to be no greater than the "Choice" option--which would force a cutback in benefits, including co-payments on office visits and co-insurance on hospital coverage. The value of the new PHP program would then resemble the value of the "Choice" plan--and may be of lesser value. This factor could not be controlled very well. It is also not clear, he told the Committee, that the broad network option such as PHP will even exist in the future.

It seemed to be best, therefore, to develop a program which would have some stability for the long term. It does not meet everyone's optimal needs, but compared to the State plan it provides total out-of-pocket costs which are lower, in- or out-of-network. For MedCenters or Share participants the costs will be higher--but there would also be more choice than existed before.

The final reason for the proposal is that when deviations are permitted, what is to say, if a higher-cost option is allowed, that the University should not also consider offering other lower-cost options such as MedCenters or Share. Who is going to say "no"? From the standpoint of cost, if the University gets back to the identical program it already has, it makes no sense to separate from the State--because for the two highest-cost options (the State plan and PHP) the University is now being subsidized by other State employees. With the Task Force proposal the University can control its own destiny; it can adapt the program over time and can look at other networks or other mechanisms. The University can also accommodate its own health care facilities to a greater degree.

There is no absolute reason why the University could not add options, Mr. Kuhlman concluded, but it needs to understand the factors that go into such a decision.

What this means, it was argued by one Committee member, is that the Task Force would rather drive people out of the high-cost plans rather than permitting the economy to drive people out of the high-cost plans. People are not opting for PHP because they love the PHP company, it was said; they are opting for PHP because they like the style of care provided. The Task Force is absolutely not offering that option--which is a choice the administration can make. To do so, however, will make the previous uproar seem minor by comparison, he concluded. It would be preferable to let the price of an option be too high, and to let the price drive people out, than to say that the Director of Employee Benefits thought it was too high and is driving people out of it.

Another Committee member also inquired about a hypothetical fifth option. The problem apparently is that of adverse selection; the Task Force conjecture is that the distribution of risk, on the part of people electing the fifth option, will be such that it will be too expensive to insure--people who are either sick now or are likely to get sick are the ones who will elect that option--in disproportionate numbers. Underlying that conjecture, it seems, is that the distribution of risk for the four options proposed will not manifest that same lop-sidedness; the sick or likely-sick will sort more evenly among

the four options and the risk will thus be spread. Mr. Dickler agreed; the Task Force assumed that the distribution between the Group Health-equivalent program, and the "Choice" option, would be about the same as it is between Group Health and the other existing options. The Task Force considered scenarios that assumed, especially with the Share and MedCenters clients, some transfer to Group Health.

Mr. Dickler said he still believed the plan is not particularly paternalistic. They had a responsibility to look at how the University provides affordable benefits to employees. If that is paternalistic, then this plan is. The survey results had a common theme: "I want more choice but I don't want to pay more." That is not unexpected; the question was how to provide choice to the University community to go to whomever they want to go--and yet have a balance between premium and out-of-pocket costs that would be affordable to the majority of the community.

Another Committee member expressed a different concern. Health care costs continue to consume a larger share of the compensation of public employees, including faculty. One factor which might affect costs is the aging of the faculty; did the Task Force consider that in ten years or so the age of the faculty might drop considerably? How will the choices behave in the longer term, with such changes? Overall, it was said, the age of the University staff and State employees is not significantly different. The Task Force did not look out ten years, Mr. Dickler said, at changing demographics. They recognize that one starts at a certain point, he said, and added that he would be surprised if the plan looks the same in ten years that it does now, if it were implemented. It, like any other program, will evolve.

Was any consideration given to the implicit costs involved for the individual in the "gatekeeper" program, Mr. Dickler was asked--the extra three hours to go downtown to get the general practitioner to refer one to the specialist. These systems waste a lot of time, it was argued. The personal costs to the individual were not considered, Mr. Dickler replied. However, there are variations in "gatekeeper" systems, he observed; it need not require a personal visit to the doctor. Depending on how it is set up with the primary care provider, referrals can be handled through telephone conversations or other ways.

Many of the answers to questions, it was observed, will depend on the primary care provider network--the one thing about which there is no information.

One Committee member suggested that there may be a need for multiple "gatekeepers," given the disparate locations of the campuses.

Professor Shapiro explained to Mr. Dickler the role of the Committee: It does not simply receive reports. It is consultative; recommendations which come to it have been modified, in the past. Discussion of this issue will not be completed at this meeting, because time does not permit it, and it may be necessary for him to join the Committee at a future date. Mr. Dickler agreed.

The Committee decided it would continue to hold discussions parallel with those of the Senate Committee on Faculty Affairs, in part because this Committee should consider health care in the context of total faculty compensation, but that it should wait to hear the deliberations of SCFA before continuing its own discussion.

Mr. Dickler informed the Committee that the proposed plan will go to the Regents for information in March and action in April. He also advised the Committee that there will need to be some

institutionalized governance mechanism within the University for the plan, if it is adopted; until now, there has been no need for such a review or decision-making body because the plan was administered by the State.

Professor Shapiro thanked Mr. Dickler and Mr. Kuhlman for their time.

3. Discussion of the Governor's Budget

The Committee briefly discussed the expected budget recommendations from the Governor; it was agreed that there would be a special meeting called to take up the subject.

4. Discussion of the Report of the Task Force on Liberal Education

Professor Shapiro next welcomed Associate Vice Provost Peter Zetterberg and Professor John Howe (chair of the Task Force on Liberal Education) to the meeting to discuss the projected costs of the recommendations contained in the draft report of the Task Force.

Professor Howe distributed a one-page matrix of the recommendations of the Task Force and explained briefly the liberal education requirements it developed. The report calls for a "diversified core" curriculum, a specially-developed set of courses to serve specified educational objectives. That core is intended not only to meet traditional liberal education breadth requirements but also a larger set of objectives, including writing skills, critical thinking capacities, and so on. The Task Force also calls for new student colloquia--to provide students a clear notion of what university education is about and what the values and purposes of a liberal education are. The Task Force believes that if a larger number of students can be better positioned to take advantage of the University, and to think more purposefully about their own education, that education would be better. The recommendations also call for increased writing as well as enhanced understanding of international perspectives, cultural diversity, and citizen ethics.

Dr. Zetterberg then explained that he had been asked by the Task Force to prepare cost estimates of the proposals. The figures he developed, he said, are "ball park" amounts; they are also ranges, depending on the implementation strategies adopted by the University.

There are two factors that will affect the costs of the proposals, he said. One is the extent to which courses will be developed that satisfy more than one of the proposed requirements (that is, a "writing intensive" course also satisfies a history or social science requirement). If there is no "double dipping" then the cost of the proposals will be much larger--because the number of credit hours required to complete a degree will be more than 180 and the University will be increasing the number of student credit hours which must be taught. The second factor is the amount of the cost which will be absorbed in redirected effort--something very difficult to estimate. To what extent will the "diversified core" courses be a replacement for courses that are now taught? Again, the cost will be very high if there is not significant redirected effort.

The projected costs include the very optimistic--assuming all courses satisfy three or four requirements simultaneously and all courses represent redirected effort--which leads to a net savings (of about \$1.2 million). This is extremely unlikely, he observed. The most pessimistic assumes that no

course satisfies more than one requirement and that none of the costs are absorbed through redirected effort (with this alternative, the costs of the recommendations exceed \$32 million). These assumptions, of course, border on the ludicrous. The actual costs will be somewhere between those two extremes.

Dr. Zetterberg said that for each proposed recommendation he made some assumptions about how much of the effort could be achieved through redirected effort and how many students would be affected by the requirement and tried, thereby, to arrive at a likely cost. The total cost of the recommendations, following from an analysis of each, is about \$10 million annually. Some will argue with the assumptions, in each case, and they may be correct; he said he tried to establish a framework for making a realistic estimate.

In addition to the recurring costs, he pointed out, there will be the additional cost of developing new courses. What that cost will be will depend on several factors. One could argue that it is the responsibility of the faculty to develop new courses and that the cost will be zero; that, he observed, is not very realistic. He said he had developed an estimate of what it would cost to develop a "diversified core" of 200 courses, predicated on summer salary support for one or two months for faculty who had to develop them.

Dr. Zetterberg was asked if he had factored in the administrative costs of maintaining the program--the continue process of review, ensuring the appropriate balance, and so on. Dr. Zetterberg said that to the extent it is proposed that the reconstituted Council on Liberal Education would bear that responsibility, he did not assume there would be costs. He agreed that this assumption would probably not be borne out. Another Committee member agreed and suggested that the hourly value of the faculty time of the Council should be calculated.

Any amount of money the University spends toward the end of having small classes taught by faculty members rather than TAs, it was said, should improve undergraduate education. At the same time, those are the two elements of the report which depart from present practices and which will be most sensitive. Concern was expressed about the pressure on the delivery of education in the major. At the present time about half of the instruction in CLA is delivered by TAs; the report creates a new class of instruction which will be delivered by faculty and not TAs: What is the implication for majors? Will they now have sections of 1000 all taught by TAs or will they have the same "classy education we're providing for the general part of the curriculum?"

Another area of the curriculum that will feel the impact of the report is graduate education; how will it be protected?

The report envisions the addition of faculty to help meet the demands, the Committee member continued, but the burden will fall disproportionately on different departments. For one [named] department, for instance, with a large number of majors, having a major seminar would require 15 sections per year. If the department contributed its proportionate share to the colloquia, the writing intensive requirements, and courses limited to 30 in the ethics, diversity, and international requirements, it would need 9.4 new faculty positions--a large increase over the present number. It was urged that the recommendations be considered from the viewpoint of several individual departments. In other departments, for instance, the impact might be substantially less.

Finally, it was said, the assumptions about faculty assume that they are all here teaching--when one-seventh are gone on sabbatical or have other kinds of research leaves. The need for faculty should thus be one-seventh higher than projected (that is, if the requirement that courses be taught by regular faculty is adhered to, the practice of relying on TAs to teach courses during a faculty member's sabbatical year could not be continued). Dr. Zetterberg concurred.

Another Committee member said the report "was a marvelous set of ideas" but seconded the notion that there would be administrative costs and predicted they would be at least \$50,000 per year. The analysis should be candid in recognizing that cost.

It was not clear whether the numbers were drawn up against a "blank slate" or if it is expected the costs will be absorbed in the CLA reallocations or the Undergraduate Initiative. Dr. Zetterberg replied that the CLA reallocation had nothing to do with the proposals; these amounts are above and beyond the current reallocation for CLA. They are not necessarily above and beyond the funds which are proposed for the system-wide initiatives. It is true that the system-wide initiative funds are less than the total projected cost of the Task Force recommendations, he agreed, and that some of those initiative funds would be dedicated to other activities. There will then be a need for \$5 to \$8 million in addition to those funds already identified for reallocation.

Professor Howe observed that the Task Force has not assumed that its recommendations would constitute an "add on" to what is presently done. Some existing courses will be reconfigured so that they can serve the purposes of the "diversified core." The resources called for will come from across the Twin Cities campus, he pointed out; as one talks about available funds and student-faculty ratios and pressures on faculty, there is wide variation across the campus. It is assumed that the full range of faculty resources will be called upon, including, to some extent, from the professional schools.

It was also pointed out that the Task Force did not envision that the recommendations would be completely implemented by the end of the 1991-93 biennium. The implementation would, presumably, take place over three or four years. The Task Force assumed, with some encouragement from the Provost and the President, that when the economic climate is healthier--perhaps during the 1993-95 biennium--it would not be out of the realm of possibility for the University to request funding to help carry out the recommendations.

What about the assumption that faculty members outside the undergraduate colleges would be contributing to the "diversified core" curriculum: Is there any evidence that those faculty are anxious to do so? Professor Howe affirmed that the Task Force has received comments from a number of colleges expressing interest; if the recommendations are "to fly, it will require a good bit of administrative leadership and initiative, and a good bit of faculty leadership, too." Enough faculty will have to find the increased costs to be worthwhile, since the purposes to be served are so basic and fundamental.

Are there other costs which have not been examined, Dr. Zetterberg was asked--such as for office space for new faculty. He agreed that there were such costs, including a need for additional clerical staff and office space. The purpose of his analysis, however, was to establish some benchmark figures; the exercise could have been much more detailed but it would not have contributed a great deal to the discussion. The costs for enhanced academic advising, on the other hand, will come from somewhere else--and are, to a certain extent, already planned for. The proposed expenditures for the Undergraduate

Initiative are separate from the Task Force recommendations, but it would not be accurate to load the costs of the former onto the latter.

One of the challenges put to the institution in Commitment to Focus was about the kind of education that should be provided which would be consistent with the role of the university as a research institution. The Campbell Committee considered these issues at length; there were discussions with the professional schools and there was widespread receptivity to a broad role for professional school faculty to participate in undergraduate education.

In the instance of Morris--which has been going through this same exercise for the past four years--it was pointed out that the effort has largely been a recommitment to the undergraduate experience and making adjustments in the resources being used. Some courses, therefore, were dropped; others are only offered in alternate years. How these premises are built into the analysis is not clear; while the total number of student credit hours will not change, there will be a different kind of classes.

Professor Howe observed that the Task Force assumes that the faculty in many departments will be called upon to seriously rethink some of their curriculum--not only the introductory courses, but how teaching resources are distributed across the undergraduate curriculum. Built into the system is the assumption that student registrations for courses will serve more than one purpose--meet more than one requirement. That assumption cannot be pushed so far, however, that every registration must serve three objectives; the system would collapse and force on students and advisors a "gaming the system" attitude. There will be a meeting with undergraduate advisors in the near future; the preliminary responses from advisors is that the plan is a workable one.

Dr. Zetterberg cautioned, however, that students will be required to spend more time at the University to graduate if there are not sufficient numbers of courses and permissible "double-dipping." Professor Howe concurred and reported that the Task Force had considered this question at length as it formulated its recommendations. Some of the proposals, he said, are intended to increase the graduation and retention rates. The new student colloquia, for instance, are seen as an important vehicle for improving retention from the freshman to the sophomore year, especially for minority students. The greater coherence of the "diversified core" will help students to better understand why they are at the University.

Professor Howe outlined the expected schedule of events and meetings and told the Committee that the final report is to be voted upon at one of the Spring Quarter meetings of the Twin Cities Campus Assembly.

One Committee member recalled that CLA had, a few years previously, enacted a series of requirements which seemed like "good things" but which had no cost estimates attached to them. The funding did not follow. Some of those requirements are now being watered down or eliminated. As the Finance Committee, it was argued, the Committee should insist that there will be a commitment to funding the recommendations before they are implemented. Another Committee member agreed and suggested that the Task Force go to the administration and seek a financing plan with which it could return to the Committee. The University cannot afford this plan, it was said; if the question is put to the Assembly about whether or not the recommendations should be adopted, the Finance Committee would have to recommend against them. If recommended as long-term objectives, the Finance Committee could

support them and call for implementation as funds become available. Further, it was noted, some of the elements of the plan are more expensive than others; those could come later.

What will the motion be in the Assembly, Professor Howe was asked; that the report be a "concept to be pursued"? He expressed the hope that the Assembly would take a definite vote and that the University would decide to do some of these things by a certain time or would decide not to do them-- rather than a "it would be nice to do them over the next 20 years" sort of vote. Then, it was replied, the Committee must ask the Provost about where the money will come from; how much can he come up with in the first year, the second year, and so on. The identified sources of funding would then become part of the recommendation from the Committee.

Dr. Zetterberg said it would be helpful, in terms of providing guidance to the Provost, to Vice Provost Hopkins, and to the Council on Liberal Education, if there were a statement of priorities about which requirements should be implemented when. If half the money is available, what is to guide them in choosing the elements of the report to be implemented? The Committee, he agreed, was not the body to do this. But some statement on how it should be implemented may be needed, including ways to minimize the costs. Without it, those who must implement it will be uneasy about doing so.

The Committee adjourned at 5:00.

-- Gary Engstrand

University of Minnesota