

Minutes*

Senate Committee on Finance and Planning
Tuesday, November 21, 1995
3:15 - 5:00
Room 238 Morrill Hall

Present: Fred Morrison (chair), David Berg, Thora Carlidge, Craig Dexheimer, David Kittelson, Gerald Klement, Patrice Morrow, Roger Paschke, Richard Pfitzenreuter, Peter Robinson, Doris Rubenstein, Charles Speaks, Craig Swan, Steven Thelen, James VanAlstine

Regrets: Kathy James, Karen Karni

Absent: Allen Goldman, Ryan Thrun

Guests: Associate Vice President Clinton Hewitt; Helen Pladsen, Barbara Pucel, Alaine Siniff (Payroll Task Force)

Others: Maureen Smith (University Relations)

[In these minutes: Biweekly payroll; campus master planning; the Citizens' League report on higher education funding]

1. Biweekly Payroll

Professor Morrison convened the meeting at 3:15 and noted that the question of converting the entire University to a biweekly payroll had been raised at the previous meeting; Mr. Pfitzenreuter and others working on the proposal have considered the questions raised at that meeting.

One question was how much money the University would make on the "float" from having a biweekly payroll; it would be about \$80,000 - \$100,000 per year that could go into the Central Reserves.

The benefits of the proposal were explained by Ms. Siniff to the Committee; she assured the Committee that it would streamline the payroll process and allow staff to do other work for the department. She also said they would not try to adopt the proposal on an unreasonable timeline.

The discussion then touched upon a number of points, including possible reduction in the time between the end of the pay period and the issuance of checks (possibly by one day; the timing is driven by the need to have direct deposit information to the banks, but this would increase the pressure on departments to get work done quickly), the usefulness of having payroll on line (some units cannot get good information, so continue to use a paper system), the relationship with the changes in grants management, and problems with overpayments (which run into millions of dollars per year for the

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University, virtually all of which is recovered, but there are legal problems with recovering the money)

One Committee member inquired about the possibility of a semi-monthly system with a delay, expressing concern about the need for staff and junior faculty, in particular, to have to fashion budgets from biweekly pay that accommodate mortgages/rent and loan payments that are tied to the 1st and 15th of the month. People could be paid twice a year; the question is whether the problems solved outweigh the imposition on faculty and staff. And what about the possibility of a delayed semi-monthly system?

Payroll task force members explained what they believed to be the problems with this option (i.e., it would require keeping two payroll systems, it would not save time in the departments) and why employees have favored the biweekly system.

The opinions of faculty and staff should be obtained, it was said; if they were evenly split on the biweekly option, it should be reconsidered; if they favor it strongly, then it should be adopted. This is the first group that has been consulted, the Committee was told, and those who have developed the proposal themselves represent a large cross-section of employees; the Committee was assured they will consult widely with different groups of employees. Relevant information must be provided to people in the departments so they can make a decision on the right basis, it was said, and consultation must go beyond committees to include those who are doing the work.

Committee members also noted the problems of a delayed paycheck for people who begin work on September 15, especially graduate students, and the bureaucracy that ensnares a graduate student if pay is off even a slight amount. Assured that these would be addressed, one Committee member pointed out that there are a lot of nitty-gritty concerns that should be covered in some kind of printed material so they need not be explained orally to every group that raises them. It was also suggested that the presentation be more balanced, and that the advantages and disadvantages of BOTH systems be presented.

It was suggested that if the biweekly payroll system is to be "enhanced," it be enhanced before the entire University changes to it.

Deductions for loans also needs to be addressed, it was said; there will be ample information provided to people well in advance of the change, Ms. Pucel reported, and there will be a helpline as well as an information sheet on how deductions will work.

Professor Morrison said the Committee would like to see the proposal, as it may be refined, before any decision about it is made; he thanked the payroll task force members and Mr. Pfitzenreuter for providing the information.

2. Campus Master Planning

Professor Morrison next welcomed Associate Vice President Hewitt to the meeting to continue the discussion of campus master planning. He recalled that the Committee had urged that more discussion be encouraged on the campus and asked how broadly faculty had been involved in the development of the plan.

Mr. Hewitt reviewed the ways that faculty had been involved in the development of the plans

(including membership on the advisory committee, invitations to deans and department heads to review them, an open house, and individual presentations to departments that requested them), and comments from the Subcommittee on Facilities Management. He said they are becoming more aggressive in scheduling meetings and have also tried to get students involved.

One Committee member noted that all the attention was paid to the external elements of the campus and none to the classrooms. Mr. Hewitt noted the major classroom study that had recently been completed and that had formed the basis of a request to the legislature for funding for classroom improvement. Another Committee member recalled the report had been widely publicized, especially the statement that the University has too many classrooms--an assertion another Committee member characterized as "fallacious." Yet another noted that there may be too much if the classroom space were used uniformly from 8:00 a.m. to 8:00 p.m., but it is NOT, so there are times when it is insufficient. To insist on uniform usage will also have an impact on user-friendliness.

One Committee member noted that funding for the master plan should take into account the possibility that there will be a capital campaign in the next few years; some of the funds raised could be for bricks and mortar. Mr. Hewitt cautioned that the master plan does not promise that buildings will be built, but agreed with the statement about the capital campaign. He said that master plans work best when they are flexible and fit institutional directions, not vice-versa.

One Committee member expressed concern about the quantity and density of buildings in the Twin Cities master plan. Once on a picture of the master plan, it becomes easier to raise money for the "murgatroyd hall of x"--but then the University is left with operating costs, which cause retrenchments elsewhere. This will be the case with the basic medical sciences building and the new Carlson School facility--the rest of the University will pay for utilities for those buildings. And the density of the buildings on the Twin Cities campus is TOO HIGH!

Mr. Hewitt explained that the picture of the model suggests a lot of buildings, and they have tried to accommodate those facilities already being planned. But if the plan works, it makes clear that the institution must address issues of density and open spaces. The University must be committed to the PROCESS: when the need for a facility is identified, a logical process must be used before any building occurs--unlike the practice in the past, where a building was built and then fitted into the plan. Implementation of the plan is the most important part of it, and there are precise rules about presentation of information to the Board of Regents for action is taken. The plan is flexible, but does hold that things should not happen merely because an opportunity is available or because of individual entrepreneurship. He concluded by saying he has heard the message: that the University cannot build facilities it cannot take care of.

One cause of concern, said one Committee member, is that one has heard (1) that the basic science building will have four times the research space that is needed, and (2) the health sciences have another building with more excess research space.

Facilities Management talks about the long-term need to demolish buildings and reduce space, said one Committee member, and now there are new buildings being planned. How space is to be decommissioned is critical. Mr. Hewitt explained that the master plan calls first for considering adapting existing buildings for reuse in some self-sustaining way (e.g., might the Mineral Resources Research

Building be used for housing?)

About the perception that the campus is filling up, Mr. Hewitt noted that there has been discussion on the advisory committee about that and the "new urbanism."

He expressed the hope that it would not be another two decades before a master plan is developed; the plan should be kept up to date, recognizing that there will be shifts, or it is worthless.

The master plan presented at the meeting, said one Committee member, appeared to contemplate little decommissioning of space. It seemed to assume all new space in new locations, with existing space untouched. If a building is decommissioned, there will be choices (e.g., grass or rebuilding). Or a parking lot, added another Committee member with a smile. The plan seems not to take these options into account, and projects new buildings at the edge of the existing campus. That is not the intent, Mr. Hewitt said, and that would be made clearer.

In response to a query about possible fragmentation as a result of dividing the Twin Cities campus into precincts, Mr. Hewitt said the key is the overall framework, within which the precincts are to do their planning. The precincts also acknowledge that while there is a master plan, it will not be accomplished all at once, and that action will occur within the precincts. The precincts also acknowledge the idea of the "neighborhood" in which people live on a very large campus; they do not want to go so far to get the services they need. The neighborhoods are what make the campus pleasant and livable. He agreed that the implications of a project in a precinct must be considered, and also said that circulation is what pulls the campus together.

Asked about how the previous master plan had been implemented or changed, Mr. Hewitt noted the transitway and peripheral parking as two elements of the plan that had been implemented. The treatment of Washington Avenue has not been resolved; the suggestion of the new master plan is that if it becomes a transitway, it should be transformed into an avenue with a more pedestrian orientation. The plan changes significantly the earlier plan and suggests the campus urbanize and be more busy in a way that serves the University. For example, Church Street was closed and turned into a pedestrian plaza; this plan suggests that should be reconsidered and perhaps Church Street should be re-opened. The possibility of re-opening Pillsbury, between Williamson and Nicholson, should also be considered, permitting more traffic into the campus.

The plan for the Washington Avenue bridge, said one Committee member, is AWFUL, a sentiment echoed by other Committee members. The two-level structure is a sign of the University; to remove the pedestrian level is, now, to remove history. Any street-level, cantilevered pedestrian walkway puts people next to buses or it must be enclosed on both sides--which eliminates the existing pleasant south side. At present there is a choice between walking indoors or outdoors without having traffic nearby. There is NO advantage to a one-level bridge.

Mr. Hewitt acknowledged these were good points, and related that when interviews were conducted earlier in the process, the two questions that always arose had to do with why the University turned its back on the river and what would be done with that ugly bridge. He explained that the University does not own the bridge and that there have been discussions with the Minnesota Department of Transportation. He said that when driving across it, one cannot see the University; that if the lid were

off, one could see the entire East Bank from a car.

One Committee member pointed out that several elements must be maintained: people must be able to get across the river; there must be an enclosed walkway; there must be an open walkway; there must be a system that separates pedestrians and bicycles from vehicular traffic; the pedestrians must be separated from the bicycles. In the winter, pointed out another Committee member, the piles of snow will make a mess on a one-level bridge.

Mr. Hewitt explained the concept of "traffic calming," that when people and cars are together, traffic slows down. In addition, people are willing to accept lower speeds if the quality of the drive is increased. To obtain a different movement pattern on Washington Avenue will be difficult; much traffic goes PAST the University, and the focus should be on traffic coming TO the campus.

Professor Morrison thanked Mr. Hewitt for joining the meeting and told him the Committee will wish to see the plan again when it has been considered further. Mr. Hewitt promised to bring it back for additional discussion.

3. The Citizens' League Report

Professor Morrison then asked Committee members if they had comments on the Citizens' League report; unfortunately, most Committee members had not had time to read it or had not yet received it. The central element of the report, with respect to higher education, is that state funds in the future be divided 30-30-30-5-5, with 30% for the systems, 30% for "lifetime earning grants" for all Minnesota students (high school graduates and adult learners), 30% for need-based financial aid, 5% for research, and 5% for new higher education initiatives and technologies. The fundamental question for the Committee is where is University funding going--down the tubes or off the CUFS?

One proposal that constantly arises and needs discussion is that the state will give more money to students and the University will charge more, which will drive quality. Whether one thinks that a good idea or not, it is out there. Is it a good idea? Whatever one thinks about it, what is to be done about it? If it is supported, what will be the University's response? These ideas are appearing all over the political spectrum and it is likely the University will see something like it over the next few years; what will be done to maintain the integrity of the institution?

A realist would point out that this is happening without consideration of policy, said one Committee member. The "flip flop" bill of 1991--which would have reversed the proportion of instructional costs paid by tuition from 33% to 67% and correspondingly reduced the state contribution. The legislature rejected the bill, on the grounds that tuition should only have to cover 33% of costs--but University students now pay an average of 44% of instructional costs. There has already been significant movement in the direction proposed by the "flip flop" bill without debate on why or if there should be such movement. The Citizens' League report calls for an increase in student aid to keep pace with tuition increases forced by the withdrawal of state funds.

Something that is not sour grapes should be done, said one Committee member; perhaps the Committee should be a forum for the discussion of policy questions. The answer to the question of what the state should do about its citizens getting an education has changed drastically without discussion; why

should the University not start the discussion, without sabotaging the possible outcome? The discussion should include all the citizens of the state, led by interested parties. Both Brandl-Weber and the Citizens' League should be able to articulate ideas about the state government. The University frequently refers to its land-grant mission; how would that mission be carried out under this plan?

The background to these reports is "Living Within Our Means," a recent state report, pointed out one Committee member. Another reported that it projects demands on state revenues for the next 10-15 years (probably too far) and what it finds is a fact of life not confined to Minnesota. Higher education is a low priority everywhere, crowded out by health care, social concerns, and public hysteria about corrections.

Asked what will happen to the Citizens' League report, one Committee member noted that Messrs. Brandl and Weber had adopted parts of it wholesale. The University has had talks with the Citizens' League people; they are flexible, but what the University feared has happened: its report was incorporated into the Brandl-Weber report. The Citizens' League people acknowledge they have the wrong number for research in their report; 5% would be a significant reduction in research support and would do away with the Minnesota Extension Service. They also did not realize the effect their plan would have on tuition reciprocity. They are well-intentioned and thought they were proposing something for the good of higher education. It is doubtful, it was said, that anything like this will be considered in the legislature until after the election in 1996.

The Citizens' League is powerless and powerful, said one Committee member. It has published a booklet; that is the end of it, and it cannot be amended. Documents such as this become the platform from which the discussion moves, and one can probably expect to see some parts of it moving toward law in 1997.

This is a trend that started long ago, maintained one Committee member, when institutions started calling students "customers." This proposal would turn them into smart shoppers with a credit card and a voucher. It turns things into a professional relationship.

It is also linked to new learning technologies, observed another. One will be able to get three credits of Econ 1001 from a CD produced by another university and available to buy or rent at Mr. Movies. One will run the CD, take the on-line exam, pay the tuition to that university, and be awarded three credits on their transcript. What is the home university going to do in that case? One question is whether the University should get into that business.

Discussion then turned briefly to the University of Minnesota Foundation and whether or not it is well run, after which Professor Morrison adjourned the meeting at 5:00.

-- Gary Engstrand