

Minutes\*

**Senate Committee on Finance and Planning**  
**(to which members of the IMG Oversight Subcommittee were invited)**  
**Tuesday, November 3, 1998**  
**3:15 – 5:00**  
**Room 140 Nolte Center**

Present: Stephen Gudeman (chair), Charles Campbell, Catherine French, Cynthia Gillett, Wendell Johnson, Gerald Klement, Jane Phillips, Peter Robinson, Charles Speaks, Susan Carlson Weinberg

Regrets: Jean Bauer, Terry Roe

Absent: Eric Kruse, Terrence O'Connor, Richard Pfutzenreuter, J. Peter Zetterberg

Guests: Dean H. Ted Davis (Institution of Technology); Carl Adams, Leonard Kuhi, Jo-Ida Hansen, Thomas Soulen, William Van Essendelft (IMG Oversight Subcommittee)

[In these minutes: role of IMG oversight subcommittee; discussion of compacts and IMG with IT Dean H. Ted Davis]

**1. Various Items of Business**

Professor Gudeman convened the meeting at 3:15 and reported that Dean and Vice President Christine Maziar had been called into an emergency meeting of the Board of Regents, and her discussion with the Committee would be postponed to December 1.

The scope of responsibility of the IMG oversight subcommittee was discussed. The subcommittee is confronted with a large number of issues, especially by people whom it interviews, and some of the issues are only tangentially related to IMG, if at all. After brief discussion, it was suggested:

- the subcommittee evaluate the compact process, but with respect to IMG, not in other ways
- the subcommittee listen to the issues raised by its guests, and make a judgment about whether to pursue them
- the subcommittee compile a list of issues raised that it concludes fall outside the ambit of its charge and bring the list to this Committee for review or referral.

The matter of the extraordinarily high fringe benefit rates for graduate assistants must be addressed, said one Committee member. The Committee agreed.

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## **2. Discussion of the Compact Process and IMG with Institute of Technology Dean H. Ted Davis**

Professor Gudeman welcomed Dean Davis to the meeting and asked him to begin by offering his observations on the compact process.

The IT compact is not a statement of the college strategic plan – that would be a longer document – but rather an itemization of priority items receiving new funding, elements of the college undergoing change, changes in resource allocation, and new or evolving issues. For this round, the compact was not of great value to planning; planning was the basis for what is in the compact, what will receive attention next year, what IT could profitably do.

The IT consultative committee was used to provide feedback, as were department heads to obtain departmental feedback. There was no groundswell of faculty interest in the compact, although that may change now that the compacts are on the web.

The intention was to keep the compact to several pages, not a tome; Dean Davis noted wryly that it took 18 pages of instructions to ask the colleges for a 6-page document.

The process is worth doing, Dean Davis said. It makes changes known to the faculty and allows colleges to see what other units are doing, and making them public makes it easier to spot opportunities for interdisciplinary activities. The compacts are not an impediment to other things, such as intercollegiate planning, and there is a benefit to being introspective and to learning what other colleges are doing. The compacts also help Drs. Bruininks and Cerra judge collegiate needs. The deans have provided Dr. Bruininks comments on the process.

The discussion that ensued touched upon a number of points.

- Dean Davis was already committed to intercollegiate interactions, but said he will use the compacts to advance those activities.
- IT has directed some of its ICR funding to space costs, and converted the central funds allocated for space to operations and maintenance funding, which the dean uses for other purposes (this complies with the A21 guidelines). It is unknown if other colleges have done the same thing. This means that PIs are indirectly paying for new initiatives in IT.
- The compact is a living document, identifying the margin of change each year, reflecting where new funds will be placed and initiatives will occur in teaching, research, and service. There was nothing neglected in the compact. The faculty will have greater impact in the future because they can look at the document.
- There is nothing in the compact about support for infrastructure because that will be addressed in the biennial request, in funding for improvements to undergraduate education, infrastructure, and for new faculty. When IT departments faced cuts, they generally cut everything but faculty lines, in order to protect their income streams (the other sources could be replaced); a six-year run of cuts decimated the infrastructure.

- IT expects to hire a number of new faculty for whom there will be no infrastructure; they hope they can hire faculty who will get grants and build the infrastructure.
- The impact of IMG has been that IT is willing to recruit a few more students. The number of engineering majors has been huge, but before IMG, there was never any motivation to increase the numbers; IT already had more than it was able to handle. The main impact of IMG has been to make the colleges more the masters of their own destiny. In IT, some of the funds have been used for faculty salaries, some was provided to departments, and some is being kept as a reserve in order to deal with possible tuition revenue decreases as a result of the change to semesters.
- The Regents should adopt a tuition band and encourage students to register for more credits. Some argue this penalizes poor students; that is not really true at the University, where most students work because they want to, not because they have to. The University has a smaller fraction of poor students than do the private colleges.
- Some worry, under IMG, about competition between units for student enrollment; IT is opening a new lab for students to meet liberal education requirements, and is proposing a technology minor. Dean Davis reported that IT is getting ready with history and literature courses – he said that games can be played and deans must not permit that to happen.
- One way to prevent IMG from filtering down to departments is to avoid tying funding to student credit hours. The college needs to consider historic patterns, and change in response to needs, not give the departments direct jolts because of variations in college tuition revenue.
- The amount of time spent on the compact was not trivial, but much of the effort would have been expended anyway. It is difficult to identify the DIFFERENTIAL cost of compact process; it was small. “It did not do enough harm to bother me,” Dean Davis concluded. The experiment should continue and people can see how it evolves; if one is going to launch something, one should see it to the point where a decision can be made if it is good or bad; that is not possible with compacts after only one year.
- An example of a cross-college activity is the Bio-medical Engineering Institute, which is split between IT and the Medical School. It can hire faculty directly, who are not identified as either IT or Medical School faculty. IT is also working with University college on programs; these things are negotiated on a case-by-case basis. His approach is to try to be fair to both sides, and in a partnership, tuition revenue should be aligned with contributions. Dean Davis said he would prefer not to see rules governing these cross-collegiate ventures, and that if there is a tussle, the Executive Vice President will solve it. If it appears that IMG is stifling such activities, then IMG needs to be reconsidered, because stifling inter-college ventures is the last thing the University wants to do.
- It is possible that legislators may use the compacts for political purposes, and since they are short, the possibility is enhanced. But they should also help; most of the items in the compacts are good things that should be attractive to legislators. They may also be a way for the legislature to hold units accountable. The compacts reflect what is already planned for, and those activities are not directly related to the biennial request; it is hard to get ahead of the request.

- Ensuring that the University complies with the A21 regulations has meant a painful increase in charges from Networking and Telecommunications Services in order to avoid using research funds to subsidize non-research activities. It is not clear why NTS is losing money, and that IT will have to pay an additional \$100,000 per year in charges.
- The negative part of IMG is that if enrollment goes down, income goes down, and the administration does not cover the shortfall. It may be a problem that the only source of funds for central administration is new dollars; it may be necessary to have an all-funds tax so the administration can support initiatives. Adjusting the subsidy is not really possible, because the margins are so small; any significant adjustments would lead to major cuts. There needs to be a way to return some fraction of funds to the administration to support new activities. Also a problem with IMG is the libraries, which receives no tuition but delivers lots of services to students. This need not be done rapidly; the administration could “ramp up” funding so it would not harm programs. (At one institution, the administration had for years been imposing a small tax on revenues, and built up a sizeable pool of funds to use for such things as new labs needed when there was a change to semesters – the pool was essentially new money. Such a savings plan should be started now.)
- There is the need for exercise of critical judgment about deciding not to do in the future some things the University is now doing. Someone must decide about SHRINKING, which should be separate from the issue of a tax; reducing and increasing should not be tied together.
- Another problem under IMG is identification and financing of the common goods. This is an issue that goes beyond cross-unit cooperation; it says there is a larger system with common goods. The University has not figured out how to handle those.

Dean Davis explained the structure and operation of the Digital Technology Center, how it would be funded and the kinds of programs it would develop.

Professor Gudeman thanked Dean Davis for joining the meeting, and adjourned it at 5:00.

-- Gary Engstrand

University of Minnesota