Minutes[*]

Senate Committee on Finance and Planning
Tuesday, June 11, 1996
3:15 - 5:00
Room 238 Morrill Hall

Present: Fred Morrison (chair), Bruce Bromberek, Kathy James, Karen Karni, David Kittelson,
                Gerald Klement, Roger Paschke, Peter Robinson, Doris Rubenstein, Charles Speaks, Craig
                Swan, James VanAlstine

Regrets: Patrice Morrow

Absent: Thora Cartlidge, Allen Goldman, Richard Pfutzenreuter

Guests: Carolyn Parnell (Telecommunications), Jim Johnson (Human Resources);

[In these minutes: Alternative services policy (e.g., outsourcing); Integrated Framework; possible charges
for modem pool access]

1.   Alternative Services Policy

        Professor Morrison convened the meeting at 3:25 and welcomed Ms. Parnell and Mr. Johnson to
the meeting.

        Mr. Paschke began by explaining that Ms. Parnell, Director of Networking Services in
Telecommunications, chaired a group of people from the Finance and Operations areas to look at
outsourcing. When the Board of Regents adopted their resource allocation guidelines last November,
including compensation settlements with unions and civil service increases, they asked the administration
to look at alternative cost saving measures through program consolidation and elimination and
outsourcing.

        Finance and Operations did an analysis, setting benchmarks for service levels and appointed the
group to develop principles and procedures for alternative services. This effort fits with the
administrative process redesign activities, which looks at the delivery of services. They intend to apply
the principles and procedures across all of the areas of Finance and Operations.

        Ms. Parnell told the Committee that they are in the process of talking with provosts, chancellors,
the unions, and faculty committees to get reactions to the document they have prepared on service
delivery alternatives. The group did NOT make a recommendation about outsourcing; they developed
principles about when and how it should be considered. She noted that the concept is not one they
invented; they have relied heavily on a comprehensive manual prepared by the National Association of

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        [*]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.

College and University Business Officers.

They believed the University would benefit from more formal procedures that were applied consistently across the institution, Ms. Parnell said, and they wanted to be sure a consultative process was built in that could be applied to all units, regardless of the activity or function. Outsourcing can have high emotional impact, she observed, and a significant impact on human relations.

Mr. Johnson explained that there are economic aspects of outsourcing; in light of the last contract negotiations, which included costs the University agreed to that exceeded the funds budgeted, the Regents asked for a consideration of alternatives in service delivery, which led to the review of outsourcing.

The impact of outsourcing on employees is substantial. The Teamsters have been very successful at the University, if one compares their salaries with salaries in the private sector and other parts of the public sector. When they met with the unions to talk about outsourcing, the opposition was predictable. The unions see outsourcing as union-busting; their members pay dues and receive the salary differential in response. They did have good discussions with the Teamsters, who oppose outsourcing but who recognize that the University has the right to do it. The Teamsters want the University to use the best method, and want their views considered, and could even consider bidding against outside vendors.

The politics are serious, Mr. Johnson said; the recent strikes at Yale and at General Motors were both over outsourcing. They want to be inclusive, but there will be "bumps in the road" as outsourcing is considered.

One Committee member pointed out that inflation last year was 3.5%, while the Teamsters got less than 3.5%. The University agreed to the settlement, but now says it will look at buying things cheaper from outside corporations that exist to make a profit--which they can only do by paying lower salaries. (Or by greater productivity, Mr. Johnson said.) How does one not construe this as union-busting? The University agreed to the higher salaries that the Teamsters earn. The budget context was different over the years the higher salaries were negotiated, Mr. Johnson said; the budget is now a problem.

The question is not whether the University likes the result; the question is what is fair, it was said. If the University goes through the union negotiations, and then contracts out for services, it was lying. The unions were told in the negotiations that the University is looking at outsourcing, Mr. Johnson replied.

Another Committee member recalled serving on a committee to consider changes in the retail food operations; their discussions led to the conclusion that there are a number of alternatives that can be considered, of which outsourcing is only one. It is premature to get upset about outsourcing; if the units go through the same process as the food service did, they will discover other options. But even these other options can be painful.

Ms. Parnell said that one of their intentions was that any outsourcing study should not consider only the bottom line; it must also take account of the University's mission and culture. As an advisory group, they did not write a document that takes one side or the other with respect to outsourcing, but tried to help people look at the operation of their unit.

One Committee member inquired if outsourcing would affect educational opportunities, if student employees were consulted, and whether or not outsourcing includes outside consultants.

With respect to the first question, Ms. Parnell said that they were asked to develop principles that could be applied across the University, so presumably they could be applied to the academic side, but their understanding was that the intent is to save money that could be directed to academic activities.

One Committee member noted that with respect to student employees, it is not just student academic employees but also student non-academic employees who are affected, and there are a large number in the latter group. Student employment is a form of financial aid. If a service goes private, that aid would disappear, unless there is a clause in the contract requiring that students be hired. Mr. Paschke said the University is sensitive to this point, and has inserted such a clause in contracts in the past (e.g., concessions in the Metrodome). That would likely continue. At the same time, Ms. Parnell reported, the unions are concerned that students will take union jobs.

The group did not consult with student employees, but it could, she also said.

The wide use of student employees on the campus is no accident, reported one Committee member; there is a Board of Regents policy that requires all jobs of less than 75% time to be made available to students. To the extent the Board encourages alternative service delivery, it could contradict the object of that policy, which is to encourage student employment as a form of financial aid. At the same time, said another, outsourcing could be made less attractive if the vendor must hire a certain category of employees and pay them X.

The question of the use of consultants did not come up, Ms. Parnell said. Mr. Johnson said that the difference is that the work considered in this report is performed by employees; consultants are not University employees. But employees could be hired to do the work, one Committee member pointed out, and one example is the General Counsel's office, which does a great deal of outsourcing and pays downtown legal rates. The question is the balance between full-time employees and outsourcing particular jobs. It is unclear if the right balance is now being struck.

Ms. Parnell said they would welcome comments, and asked that one individual from the Committee be identified to be notified of changes as the document evolves. Professor Robinson agreed to serve in this role. She also reported that the report will go to the Regents for information in July and for action in September.

In response to a question, Ms. Parnell affirmed that the document would apply to all campuses, so coordinate campuses could look for local providers. That has been a sore spot, it was noted. Mr. Paschke said service could be provided by any organization that could offer competitive service of quality.

Professor Morrison thanked Ms. Parnell and Mr. Johnson for joining the Committee.

2.   Integrated Framework

Professor Morrison next welcomed the Director of Audits, Gail Klatt, to the meeting to provide an update on the Integrated Framework (hereinafter IF).

Ms. Klatt said that progress is being made; awareness of the IF is increasing, and potential applications on campuses are being talked about. That is the first critical step; this is not an exercise that can be forced from the top down, because it needs local understanding.

The last time the Committee asked about how the IF would be applied, and recent sets of minutes indicate faculty are finding ways that it DOES affect them. Ms. Klatt said she has told Vice President Brenner that graduate assistant fringe benefits is a prime candidate for application of the IF; it is an issue the University is not handling well and the time devoted to it has been counterproductive, with a less-than-desirable outcome. Using the IF, there should be a more favorable and positive solution.

Ms. Klatt distributed a 3-page handout with a written summary of the IF, recalling that last time she was asked to get away from "chartspeak." She noted that there are "hard" controls, such as policies and procedures, organizational structure, bureaucracy, formal processing, and so on; there are also "soft" controls, such as competence, trust, shared values, strong leadership, high expectations, high ethical standards, and so on. The IF relies more on soft controls, controls that are built into the culture so that compliance resides in the people in the institution.

One Committee member inquired if the IF means there will be no hard controls. Ms. Klatt said the hard controls would remain; they are there to help. But there should be a blend; the IF places more emphasis on people.

Another Committee member said he was baffled by the entire issue, but sensed that the movement to the soft controls was the right way to go. The characteristics of the hard controls, however, are described as formal, objective, quantitative, and so on; does the IF mean one should NOT be objective, quantitative, measurable, etc.? Are those bad things?

Ms. Klatt said they are not. The soft controls allow more intangible controls and more responsiveness to the environment. With the IF, one has well-trained, honest, ethical, competent employees who know the boundaries, rather than a rule-bound organization that applies the rules whether or not it makes sense to do so.

One Committee member inquired how one changes the culture. Some people still fill out a Type O6, even though there have been no Type O6s since CUFS. How will people know what the IF is trying to accomplish? That, Ms. Klatt said, is the $64,000 question. Changing a culture is very important for successful implementation of the IF. It is difficult to change an institution that has been rule-bound, trained in rules rather than results.

How is the change accomplished? By a lot of training, Ms. Klatt replied, and some by retirements.

If one looks at the history of a university, at some point authority is betrayed (e.g., ALG), so a policy or rule is established for control. These rules and policies build up over time, just added on. The IF seems to start over at ground zero with faith in the employees, but one knows there will be infractions that everyone sees as unethical.

One benefit of the IF, Ms. Klatt said, is that it helps prevent an over-reaction when there are

infractions. The IF asks what the institution's appetite for risk is; if an infraction falls within that acceptable risk level, it is over and life goes on. The IF is intended to stop knee-jerk reactions to problems.

From the faculty perspective, said one Committee member, the University has become more rigid in its approvals, and there are six times as many forms as there were in the past. The institutional culture is going in the opposite direction of the IF, as is the culture of the central administration. That depends on what is being checked, Ms. Klatt replied.

She also noted that FCC had said there should be a checkpoint included so that there is appropriate consultation; she said that is a valid point. Anywhere along the line, said one Committee member, a document should be bounced if there has not been appropriate consultation. There have been items from Finance and Operations that have gone forward where consultation was not sought or where they said they WOULD not consult--and they got by with it.

One Committee member drew an analogy with deductions on an insurance policy; in the abstract, policies are set up to protect against events one cannot control. If one talks about a minimum level of "screw ups" that the institution will tolerate, that is fine if they are inadvertent. But if the institution says it will tolerate a little cheating, that creates an incentive to cheat.

One Committee member said that as a department chair, he had no idea what Ms. Klatt was talking about in terms of how this would have an impact on the department, the staff, or faculty.

Ms. Klatt said that policies are needed; hard controls will exist and will lay out expectations and expedite compliance. The question of acceptable risk is related to degree of control that is needed. It may be decided that only a few controls are needed, but if there is an infraction, it will not be tolerated and action will be taken.

One Committee member recalled a situation in a college that involved about $110 in receipts of $1 each per year. Because the college did not deposit funds every three days, at a cost far exceeding the income, and because it declined to spend the several thousand dollars it would have taken to purchase equipment to record the transactions, the college just quit collecting this money. Under the IF, it could have decided not to follow the policy, but fire anyone who took any of the money. What the IF does, said another Committee member, is recognize the way that every reasonable department in the University has been running for years.

Ms. Klatt said she would expect the skills are present in departments, whether readily recognized or not; department personnel understand the risk associated with the activities they undertake. That will vary with the unit, and what the department does. Asked for examples, she recited a number of factors that could come into play. Does a department primarily deliver external services rather than primarily teach classes? How large is the budget? Where does the funding come and is it relatively stable? Does it involve internal service organization activity? How much of the activity in the department is research? Does it involve use of human subjects? What is the nature of research data and how is it maintained? Is there adequate student demand for courses?

There are control issues for a department that provides internal services, and generates cash, said

one Committee member, just as there are with grants and contracts. But with respect to curricular issues, a department deals with a dean, and it does not make sense for the operations side of the University to get involved in those sorts of things. If they have ideas how the academic leadership should deal with these issues, they should deal with the deans. But departments will not want a third party telling them how to deal with their dean; that is up to the dean's office.

Ms. Klatt agreed. The IF is not an operational model or an organizational model or an accounting model. It is a control model that the deans and provosts will embrace certain aspects of. Whatever activities are involved in fulfilling the mission of the University, and the risks of those activities, and how to control and mitigate them, is the focus of the IF. It will not be her looking at the academic side, but the same principles can be applied by a dean.

The idea is to identify where a department might be vulnerable and control mechanisms that can be used to limit the vulnerability. The IF allows for creation of a control system relevant to the department-- it does not require employing the same controls used by the Bursar's Office in a department that has few liquid financial resources.

One Committee member inquired about the importance of rules versus soft controls for the people on the bottom of the power structure. One worries about risk for individuals at the bottom, such as rules against women working anaesthetic equipment when they are pregnant. Does the IF change grant authority to people with more power when there should not be a lot of "wiggle room," when people may not feel able to speak up for fear of losing their job when asked to do something that is not ethical or violating a rule?

Ms. Klatt said it is not the case that there will be no policies and procedures for employees; that is part of the control structure. People will know the boundaries within which they operate in terms of their jobs. One area within the University that can be improved is that exception processes are needed, so exceptions can be made, when appropriate, and when the right level of authority has a chance to review them. Some policies and procedures may be eliminated, to increase efficiency, but not all of them.

One Committee member recalled the question about how one gets the culture to change. What is the empirical evidence that it should change, that somehow the University will be better off by moving more toward soft controls? In addition, from the perspective of her office, if she elects to conduct a compliance audit, one can understand how this would be done to determine compliance with hard controls, but what would she look for in a compliance audit to make judgments about competence, trust, shared values? Or is that not part of a compliance audit?

They are, Ms. Klatt said, and there are evaluation tools that have been developed for implementation of the IF that help assess those factors. Much of the assessment is based on observation and interviews with employees, demonstrated abilities, and so on.

Would it involve, at the departmental level, assessing the competence of the faculty to do their job? That assessment would be conducted by the provost or dean, Ms. Klatt said.

Is this an idea that exists on paper, the Committee member asked, or is there empirical evidence that institutions have been made better because of this change? Ms. Klatt said she did not know if there

was such evidence, because the IF has not existed very long. There are no sustained results because in most cases the IF is still being implemented. One benefit to the University--and this can be reassessed later--is that if it wishes to move to decentralized decision-making, it must provide the tools and mechanisms for people to manage and make decisions in that environment. At this point, the University is schizophrenic on the issue.

One Committee member inquired about a hypothetical case. What if custodial services were taken over by an outside company, so custodians are employees of the outside company, not the University. How do soft controls fit with outsourcing. Ms. Parnell commented that one must recognize, in any instance of outsourcing, that the University can outsource the work but never the responsibility for the function or operation. A key part of outsourcing is contract management, and that may include building the IF into the contract expectations.

Another Committee member recalled the instance of the $110 conflict with the hard controls. Under the IF, presumably the hard controls exist in principle, but there are also soft controls. Does that mean one can reach a resolution between the hard and soft controls, and say "this is silly, accumulate a reasonable amount in the cash box and then deposit it." That would be the philosophy of the IF, Ms. Klatt said. The unit would say that $110 does not constitute a major risk and requires a minimum amount of controls; if it were $200,000, that WOULD constitute a risk and the department would control it closely. They would also say that if they find anyone stealing from the till, they would be fired.

Who makes the decision whether the hard or soft controls are in effect? Ms. Klatt said it derives from the institution's "appetite for risk." This is complicated by the fact that the University is a public institution. $110 in the scheme of the University can be considered minor, but if it hits the front page of the newspaper that someone stole $110, then there is another set of risks. There must be a balance. If the University's appetite for risk is $200,000, but someone else prefers $1 million, there will be contention whether the policy applies or not. If there is a general awareness of the appetite for risk at each level, then there is flexibility within that understanding. One does not want control for control's sake; one wants it for things that are important.

To the extent the University is becoming decentralized, and RCM will come into effect, the IF moves in the same direction, said one Committee member. There are real implications for this: the University needs fewer people in enforcement at the central level. Ms. Klatt was asked if she is planning a decrease in the number of people who manage hard controls--and if not, why not, if she is taking this seriously?

Ms. Klatt said she was not the person to address the question, although it is a valid one. Oversight monitoring can be done more efficiently, and often times in an automated fashion, than the way the University now does it. She does not control those resources, however. Asked if there are corresponding plans for attrition at the level of hard control personnel, Ms. Klatt said the University has a long way to go to implement the IF.

Is the University running the risk of being subject to political demagoguery? She talked about $200,000; what about some legislator who asserts it is public money and there should be zero tolerance? Ms. Klatt said that is an issue the institution has to decide how to deal with and manage. It is a reality.

Are there any other public institutions that use the IF, asked one Committee member? Several are considering it, Ms. Klatt said, as is the State. There is a fair amount in the IF that is common sense, said another Committee member, "IF I understand it."   Perhaps there is other language that could be used, that would help protect the University against that kind of challenge. Ms. Klatt agreed, and said the bellwether will be the first time it happens: will the University stand firm on the level of risk it accepts, or engage in a knee-jerk reaction if something hits the headlines again?

Professor Morrison thanked Ms. Klatt, and asked that she return when there is further development of the standards and criteria. She agreed to do so.

3.   Modems

Professor Morrison now welcomed Ms. Parnell back to the meeting, to discuss modems.

Ms. Parnell began by noting that access to the Internet through modems at the University has greatly improved in the last month. That is because they keep adding modems as fast as possible, she said; there will be 1600 modems by September. There are now 1200. Some of the problems have been traced to U.S. West, which has discovered that the central office where this service is located was never designed for this volume of traffic, where people will tie up a line for at least 30 minutes and sometimes hours at a time, "surfing the net." The University has added a substantial number of modems to the pool, she repeated, and said she is determined to keep ahead of the demand; it is an important piece of the University and its information technology infrastructure.

She is present at the request of the Senate Committee on Computing and Information Systems, Ms. Parnell said; that is the group she usually consults with about the modem pool, and meets with them regularly. SCCIS regularly advocates increases in the modem pool; funding is the issue. Her office put in request for central funding for $1.4 million; that money is being spent on the modem pool in 1996-97. The outcome of that action was a proposal that PART of the expense be funded and part of it be passed on to members of the University.

What was presented to the SCCIS was a proposal that students be covered but that faculty and staff be charged. This discussion is part of the consultative process for making a decision; Ms. Parnell said she would like the Committee's views.

One Committee member asked what the modem pool is; another asked what the problem is. Ms. Parnell said the modem pool provides the means where someone can dial in from home and use the University network. The problem is the $1.4 million in annual funding needed to keep the modem pool going. Much of the modem use is for email, and that is--and will remain--centrally funded.

They are able to be quite precise in terms of identifying the cost per user. There are about 32,000 who use the modem pool on a regular basis; that is not the number who dial in, which has reached 60,000 on a busy day. The industry standard--what works--is 20 users per modem, given a 24-hour day. When they calculate the cost, it is approximately $4 per person per month. If there were a partial charge-back scheme put in place, that would be the charge. That would account for either 10, 20, or 40 hours of usage per month, depending on the time of day a user called in.

They have found that the high demand is between 2:00 in the afternoon and 2:00 in the morning; that is when people will encounter busy signals. They will not have problems if they dial in at 5:00 in the morning. The proposal is that between midnight and 10:00, one would get 40 hours of use; from 10:00 - 4:00, one would get 20 hours, and between 4:00 and midnight, one would get 10 hours of usage.

Why does this need to be billed to people, asked one Committee member? Is this a case where 5% of the people are causing 95% of the problem? They have a difficult time knowing that, Ms. Parnell said, because while they can measure the number of times people dial in, they do not know how many are repeats.

Is the problem someone who dials in and monopolizes a line all day? Ms. Parnell said there were such incidents, but less than 5% of the use. The real issue is that there were not enough modems; they have now built up the supply and are keeping up with the demand.

What is the logic that makes the price for students "zero" and the price for faculty and staff "something"? Ms. Parnell said she could not answer that. Is there evidence that the problem is with the faculty? No, Ms. Parnell replied; it is simply that this is seen as an educational tool that should be provided to students. People say it is like the library; one gets the information. The counter is that students have to buy textbooks.

Why does not that same argument apply to faculty, inquired one Committee member? If they are able to log on at night, they are often communicating with students. Ms. Parnell agreed, and said her personal preference was that it all be centrally funded.

Mr. Paschke said this is exactly why this conversation is needed. The issue of how fees are applied is a new one for them; it has been discussed in the offices of the two senior vice presidents, and they are grappling with the issue of equity and how a very valuable resource such as this should be funded. And who, if anyone, should be charged for it, if it is not to be centrally funded--which it would be, ideally. If that cannot happen because of constraints on resources, then how should it be funded? The administration wants the views of the Committee on how it should work.

What is the proposal, asked one Committee member? What kind of a fee, collected how, at what rate? The proposal is to collect $4 per month, probably collected quarterly, and it would be on a subscription basis. The proposal could be based on use: if one uses the modem pool, there would be a charge.

One facetious suggestion is to get the money from Parking, because they have already raised their rates, said one Committee member. A serious question is that the alumni have access to the modem pool; at what cost? They pay $110 per year, Ms. Parnell told the Committee. How does that compare with America On Line or CompuServe? AOL is $10 per month plus usage charges per hour, Ms. Parnell said.

One Committee member maintained that the University may have an obligation to the immediate members of the University community--students, staff, and faculty. It is nice to be able to provide a service to the alumni, but the University should not be subsidizing them. Ms. Parnell said the alumni are not subsidized; the charges cover costs. Other universities are offering the same service, reported another Committee member, and the cost to alumni is almost exactly the same.

Ms. Parnell said that those who use etherjacks at the University are not part of the modem pool. Anyone can come to the University and use the Internet from their offices and not be charged the $4 per month, she affirmed. It is only because people are at home, responding to students from home, that they would be charged, said one Committee member, and that is an odd distinction. There is no logic at all, said another Committee member; there is a very expensive infrastructure on campus that no one is charged for (except for telephone charges and hookups).

Ms. Parnell said the modem pool was set up to facilitate interaction between faculty and students, and said she recognized the problem. Because it is so useful, observed one Committee member, it has become a necessary instrument in faculty interaction with students. To now say the University will not fund it centrally, and will charge for it, seems to be making the decision much too late. There are many activities that depend on this interaction.

This will be seen as simply another example of the kinds of things that the parking rate increase is: stick it to the faculty, because the University can't fund it. Other Committee members agreed. Another Committee member offered a suggestion: almost every student is now paying a computer fee, and students are accessing the Internet from home; why is not some contribution from those fees a legitimate source of funding for this activity?

Ms. Parnell agreed, and said that question is on the agenda. This issue was not built into the logic of the computing fees that were set by colleges. There is an agreement that this will be addressed, although not for the 1996-97 fiscal year. They have heard the same thing from students, she reported; they say they need the modem pool and wonder why it is not included in the technology fees that they pay.

One Committee member offered the opinion that the increased use of student fees is a major mistake for the University, and they are only being used because people are unwilling to set priorities and make decisions about what needs to be funded. If computer labs and access to computers were really valued, the money would be put into them. The notion that things will only be funded if students are charged a special fee is offensive. If this is a priority, it should be funded centrally. To think that the University will start nickel-and-diming everyone to fund something that should be a priority is going down the wrong avenue. It is also an example of "creeping RCM." If there is going to be RCM, there should be a good discussion of it--rather than these piece-by-piece moves toward it. Other Committee members assented.

One Committee member suggested that ICR funds could pay part of the cost; some of the use is post-docs logging in to do work. Another Committee member said telephone charges cannot be charged to the federal government. It is not fair for students to pay for it in tuition, when some of the activity is research and service. The government argues that this is to be part of the general overhead and should be built into the ICR rate.

Ms. Parnell said they held a student forum about the modem pool--before it was built up--and had perhaps 20 students attend. They asked students about charging for the modem pool; the students at that point were desperate enough that the majority said they would not object to paying for it as long as they could get through to log on. The frustration came from constantly getting busy signals. Although some

wanted unlimited use for free--which is what they have, if they could get through--other students said $5 was not important in a monthly budget for something they value as much as this.

What she will find, said one Committee member, is that most people do not use it very much--perhaps on the odd day they are home, during the daytime hours--and they might then say that on those days they will not communicate with students. They will shut it off, and take the email off their home computer.

The problem is that the University may make this required, and deduct it from the paycheck; this will not be voluntary.

Professor Morrison inquired if anyone wished to make a motion on a recommendation. One Committee member recommended that the Committee, based on what it has been presented, go on record as opposing the imposition of the fee. The motion was seconded.

Mr. Paschke said the purpose of the discussion is for honest consultation; if the Committee has a common view about pursuing alternatives, that would be helpful. That is evident from the discussion, said one Committee member. Mr. Paschke noted the motion expressed opposition to the fee "as presented." If there is a view of an acceptable alternative--such as central funding--it would be helpful to know that.

One Committee member said that more details would be needed before the Committee could vote on a preferred alternative. And more details on what the proposal would actually be. For example, the charges imply the cost of a modem is $1000 per year; is that true? Ms. Parnell affirmed that it is; $1003 per modem. They are high-speed modems that are expensive and that have to be supported by technical staff.

The original proposal was for this cost to be centrally funded; one variation was to provide it free to students but to "test the waters" about charging faculty and staff. That is the purpose of this meeting, Ms. Parnell said.

One Committee member asked for a vote on the narrowly-constructed motion: That the Committee, based on what it has been presented, go on record as opposing the imposition of the fee. Professor Morrison called for ayes and nays, and the motion passed unanimously. Ms. Parnell thanked the Committee for its expression of opinion.

One Committee member suggested looking at the distribution of usage. It might be possible to look at people who using a modem for more than X hours per month; that is a different problem. Ms. Parnell said that they have considered that, among many other options.

One Committee member asked if the system would cut a user off if nothing happens for half an hour or some period of time; Ms. Parnell said it does not. It could be built in; several Committee members said doing so would be a good starting point. When one knows it is hard to get in, there is a huge incentive to just leave the connection open, said one Committee member. Ms. Parnell said that some of that occurred, but it was a small number, not enough to have an impact on usage problems. It would be helpful to have data, it was said. Ms. Parnell said that she believed the University should stay

ahead of the demand; if it does, the behavioral issues would not have to be addressed.

The Committee discussed further the possibility for automatic disconnection, almost any of which are possible, Ms. Parnell said.

One Committee member said that the problem with deciding whether someone should be charged, beyond a certain point of usage, is that when one looks at other utilities on campus people use, there is tremendous variation. One faculty member uses a tremendous amount of electricity, because of his research; another might use the Internet for her research. Unless one is applying the usage standard across the utilities--electricity, water, library demands--it does not make sense to focus on one relatively small piece of the University, as if one could devise a fair way to tax it.

What pushed it to the front is that it is public relations issue for the University, Ms. Parnell said; it was a source of complaints. The University is known for providing this access; it was one of the first to do so, and it has been a good public relations tool. People started saying that it wasn't any good because they could not get into the system.

If one looks at the $50 per year, while not anxious to reduce the amount of money available for salary increases, they would rather have it come from salary money than be nickel and dimed; other Committee members concurred. If the proposal comes back, said another Committee member, it should include an analysis of the administrative cost of collecting the $4 per month from faculty and staff.

Another recommendation, Ms. Parnell said, is that the 400 modems that are an older technology be set aside, with time limits on them, for people who simply want to check their email; if on for more than 15 minutes or half an hour, they would be disconnected. This discussion suggests that not only the finance issue but also some of the mechanics of managing the service could benefit from advice from Committee members, Ms. Parnell said, and asked if some Committee members would be willing to meet with her.

Would someone be told before they are cut off? Depending on how people use email, being cut off could be an annoyance or a real frustration. People should be told they are up against a time limit, with an option to continue. The proposal is not being implemented, Ms. Parnell said.

Professor Morrison thanked Ms. Parnell for joining the meeting, and adjourned it at 4:55.

-- Gary Engstrand

University of Minnesota