Minutes*

Senate Committee on Finance and Planning
Tuesday, October 17, 2000
2:15 – 5:00
Room 238A Morrill Hall

Present: Charles Speaks (chair), Jean Bauer, Leanne Baylor, Stanley Bonnema, Charles Campbell, David Chapman, Daniel Feeney, Stephen Gudeman, Wendell Johnson, Joseph Konstan, Eric Kruse, Richard Pfutzenreuter, Jane Phillips, Terry Roe, Rose Samuel, Cory Stingl, Michael Volna, Susan Carlson Weinberg

Regrets: Michael Korth

Absent: J. Peter Zetterberg

Guests: none

Other: Michael Berthelsen (Office of Budget and Finance)

[In these minutes: food service on the Twin Cities campus; the contract with Coke; the Twin Cities campus master plan/precinct plans; planning for health care cost increases; the six-year capital request]

1. Twin Cities Food Service/Relationship with Aramark

Professor Speaks convened the meeting at 2:15. Professor Campbell asked if any materials had been provided for the meeting; Professor Speaks said they had not; he had requested them but had been told they were not ready. He then turned to Vice President Kruse to lead a discussion of the situation with Aramark and food service on the Twin Cities campus.

Vice President Kruse began by saying that when one talks about Aramark, one is talking about University Dining Services (UDS). Aramark provides a management structure within UDS and many of the employees are University employees. UDS was transferred to his office on July 1, 2000; since then he has been trying to move in directions that will make the food service more appealing to the University community and to understand the issues that have arisen in the past.

Aramark has put in a new president for this area; he and Mr. Kruse have talked and agreed to put new people in place. They agree that the relationship of the past could not continue and would not work. As a result, new management people have started over. New people are also involved from his office; all are looking at the relationship, reinterpreting the contract, and trying to see what will work best for both sides. There have been three large meetings thus far, and will be another one in late October, devoted to developing a new professional relationship between the University and Aramark. They are trying, among other things, to increase employee retention, which has been a major problem the last few years; there have been over 20 managerial changes in some locations in that period.

* 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.

Catering has "been butchered," Mr. Kruse commented. That is a huge business on the campus and Aramark has been asked to do it differently so it will be more viable. Some things will be reviewed, such as the $50 minimum on orders. Did anyone on campus approve that minimum, Professor Speaks asked? That is not clear, Mr. Kruse responded, and he is trying to get beyond who did what and address the problems instead. One concern, Professor Speaks said, is that more and more groups will go outside the University and the minimum will exist only on the UDS website. Mr. Kruse agreed and said that there had been a lack of understanding of the University culture. He added, in response to a question, that the number of orders and revenues from catering were nevertheless up, which may simply mean there is more catering being done on campus.

They are also looking at ways to streamline the business with better financial systems, Mr. Kruse explained, and hope to save in excess of a hundred thousand dollars by next year.

There are also new programs in place in residence halls which have gone over well with the students; the ratings of the food service by residents have improved, although they are still not at the national average so there is work yet to be done. They are working on new meal plans, which when measured by cost is at the bottom of the Big Ten right now; the cost to University students is 10th of 11 in the Big Ten, hundreds of dollars below #9, which is hundreds of dollars below #8. The plan intends to offer students both basic plans or a "super plan" and the facilities may also be open for longer hours.

Have they considered using a student or commuter task force, Ms. Samuel asked? There are residence hall advisory committees in each dorm, Mr. Kruse said, which have focused on residence hall issues but which they are trying to get to focus on dining issues. They have asked student representatives to get groups together to work on dining issues.

What returns does the University expect from UDS as an auxiliary service, Professor Roe asked? The claim is that Aramark lost nearly $3 million over the last three years, Mr. Kruse said. These are difficult discussions because the University must decide if it will continue with Aramark—and they must make the same decision about continuing with the University by mid-November. That is why he wants to have a plan in place by the end of October. If the University does not continue with Aramark, he does not know at this point what it will do (Aramark would be required to continue through June 30).

What has been the University's net return, Professor Roe asked? The situation has gone from one where the University lost money to the point where it is breaking even, Mr. Kruse said. But for the last five or six years there has been little investment in dining services so there has been a sore lack of capital investment, especially in Coffman Union.

While it is important to survey users to obtain information about their level of satisfaction, Professor Speaks said, the results must be interpreted carefully because everyone wants things cheaper and better. Given the atmosphere of the past few years, people will not judge the food service highly almost no matter the changes. For graduate programs, he observed, the University uses outside reviewers; would it make sense to do that for the food service? Mr. Kruse agreed that might be a good idea. He said he has talked to institutions that have made changes; even where there are improvements, the institutions do not get credit for 12 – 18 months.

Mr. Stingl commented, apropos user surveys, that many give the food service a higher mark than they would otherwise because of the people who run it. Ms. Samuel said the same is true for students in Middlebrook Hall. She said there seems to be an issue between the cooks and Aramark; Aramark will not let him do the things he wants to. That is based on the funds available, Mr. Kruse said; an increased level of service costs more.

How much better a buy is the residence hall package than going out to eat at local restaurants, Professor Roe asked? The residence hall cost is $1019 per semester, Mr. Kruse said, or less than $4 per meal. Or one can purchase food by the meal, Ms. Samuel commented, and dinner at the residence hall costs more than eating at a local pizza place. And meal prices have been raised recently, she added. The latter, Mr. Kruse said, is due to the increased price of oil (trucking and shipping costs).

Mr. Pfutzenreuter commented that he had been amazed to learn from the discussions with Aramark the extent to which the food service is a “penny business”: they make pennies of profit on big volume. Increased quality cuts into those pennies. If one looks at the other Big Ten schools, it may be that to improve quality it will be necessary to increase the price. Students would be willing to pay more for better food, Ms. Samuel said. The University will not lose that many students because of a food price increase—students don’t come to the University for its meals.

Is there an option to opt out of the food plans in the residence halls, Professor Campbell asked? Where the rooms have kitchenettes, there is, but where there is not students are required to purchase a meal plan, Mr. Kruse said; this helps keep prices down because they can predict the number of meals they need to prepare.

Is there a reason to stay with Aramark rather than start over, Mr. Samuel asked? To start over would require hiring all new employees because the University could not retain Aramark staff, Mr. Kruse said. They have looked at the choice between “cut and run” or trying to make the relationship with Aramark work; the President said he wanted to give the relationship one more try. If it does not work, the University will go forward in some other way.

2. The Coke Contract

Mr. Kruse now turned to the contract with Coke, which was signed four or five years ago and is a ten-year contract; it allows the University to purchase Coke products relatively cheaply and provides a revenue stream to the University. The funds have been used to set up a quasi-endowment for women’s athletics of about $240,000, the funds from which will be gone by the end of this year. A quasi-endowment has also been set up for women’s athletics and other athletic needs which totals about $238,000. Funds also go to athletics for signage (a contract with Pepsi was bought out). About $120,000, from vending proceeds, goes to support academic and community-building initiatives. In addition, the University buys Coke syrup and re-sells it to Aramark at Aramark’s national price, which yielded about $150,000 this year.

Does the contract include coffee? It does not. Then why have all the coffee machines disappeared? That probably depends on machine costs and revenues produced, Mr. Kruse said.

What is the relative price, on and off campus, for beverages, Professor Speaks asked? It is about the same, Mr. Kruse said; beverages provide a significant source of revenue for the food service. The vending machines impose a tax on everyone who cannot get to a refrigerator, Professor Konstan maintained; bottled water costs 4 times as much as it does in a store; soda costs twice as much, and so on. It would be useful to know the efficiency of that tax versus letting Pepsi and Coke battle and see how low the prices would go. Mr. Kruse agreed that was a good question that cannot be answered for another five years (the life left on the Coke contract). He added, however, that one problem with vending machines across campus is building codes and infrastructure issues; many buildings do not have space or do not have sufficient electrical power.

Professor Gudeman asked where the money for signage and the $150,000 in syrup profits are spent. $240,000 from signage is revenue to athletics, Mr. Kruse said; the $150,000 is revenue for food service to help pay operating costs and overhead for retail food spaces (all of which lose money). This is, Mr. Kruse repeated, a UNIVERSITY question, not an Aramark question, because Aramark only provides a management structure.

Professor Campbell recalled that the Committee has in the past received financial data about the food service and Coke contract, and it seemed that a significant amount of money was going into the Office of Student Development and Athletics for the administration of services. He said he had not heard that that had changed. It seemed like a lot of money for what was being done and that it would be useful to know what happened to the funds. Mr. Kruse said he knew only of the $120,000 for academic programs and community-building. Mr. Pfutzenreuter said there are a lot of cross-subsidies, however, and administrative costs had been questioned.

Mr. Bonnema recalled that the President has called for a minimum wage of $12 per hour for all University employees at or over 75% time. That would have a tremendous effect on all auxiliary operations, Mr. Kruse said; in the food service, if they must pay $12 per hour they will be out of business. Aramark has asked what subsidy the University will provide if they must pay that rate.

The decision to pay $12 per hour for employees (which is a collective bargaining issue in the case of unionized employees) applies to everyone working 75% time or more, Mr. Pfutzenreuter said, and is part of the University's request to the state. There will be an impact on units on non-state funds that his office is now analyzing; it will have an impact on food service, parking, bookstores, printing, and so on. That is a decision based on VALUES, he said, not economics, because the President felt something needed to be done. Now they are doing the economic analysis. He said he was more worried about the impact on Internal Service Organizations, which pass their costs to departments; their only recourse may be to cut service and increase prices. The biennial request only covers employees paid on state funds. Presumably, since this is a value decision, it would apply to all employees, whether or not on state funds, Professor Speaks observed. He asked if Mr. Pfutzenreuter had any idea of the number of employees who are below $12 per hour and not on state funds. Mr. Pfutzenreuter said he was just completing that analysis. The biennial request asks for $1.7 million for employees on state funds; the amount for employees not on state funds could be twice that amount, perhaps as much as $2 million per year. Most of the employees not on state funds are in the food service, housing, the bookstores, and parking, with a smattering in other units.

Ms. Phillips inquired about staff who will feel salary compression if others are raised to $12 per hour? They are already talking about it. The devil is in the details, Mr. Pfutzenreuter agreed, and said he did not know how the decision would be implemented. It sounds like a hidden cost, Professor Konstan said, that will require additional funds. The salary compression question would magnify the impact, Mr. Kruse added.

Would this change mean increasing the number of full-time employees and reducing the number of student employees, Mr. Reed asked? Every unit in the University is unable to hire enough student employees, Mr. Kruse responded; the wages have been raised as high as possible and they are still unable to attract student employees. It may be that the University needs to re-evaluate how it deals with the labor market, he said.

3. Twin Cities Campus Master Plan

Professor Speaks turned now to the Twin Cities campus master plan. Both Mr. Kruse and Mr. Pfutzenreuter said they did not know what the Committee wanted to talk about. It was explained that the Committee had, in the past, expressed dismay about a number of elements of the plan and that if it was still being used to guide decisions, the Committee might wish to review it again.

Mr. Pfutzenreuter explained that in the past there had been the campus master plan, the view from 40,000 feet, and individual capital projects, and that there seemed to be a disconnect between the two. What was missing was an intermediate level, which has now been established: precinct planning. Mr. Kruse said the individual precinct plans (west bank/arts district, sports area, St. Paul agriculture/biology area, the Academic Health Center) are being worked on and should perhaps be reviewed by the Subcommittee on Twin Cities Facilities and Support Services. This Committee should perhaps see the overview, Mr. Pfutzenreuter suggested.

It was agreed that the Committee would schedule presentations on campus master planning in Spring Semester.

4. Planning for Health Care Cost Increases

Professor Speaks said he wished to raise the question of how the University will deal with the projected $58.1 million increase in the cost of health care. He asked if that amount covered present salaries plus the requested 3% increase for all employees plus the 4%/4% additional increase requested for the faculty. It does not, Mr. Pfutzenreuter said; it covers only current salaries; the increased cost of health care because of salary increases is included in the amounts requested for those increases.

Mr. Pfutzenreuter distributed two handouts in anticipation, he said, that Vice President Carrier and Mr. Fahnhorst from Employee Benefits would join the Committee at a future time to discuss health care in greater depth. There was a presentation to the Board of Regents last week, he reported, about health care premiums. One part of the report explained cost containment strategies being used by other employers (which include increased co-payments and out-of-pocket maxima on prescriptions, office visit co-payments, reduction of employer subsidies on annual premiums, defined contribution plans, use of preferred provider organizations, and reduction of claims through introduction of wellness and prevention programs) and there was brief discussion of these alternatives but no conclusion on how the costs should be addressed. Professor Gudeman later commented that these strategies, if adopted, would mean a significant change in fringe benefits. One could foresee, like Social Security, an erosion of fringe benefits in the next several years that should be discussed in the University.

The University intends to keep pressing the legislature to fund the $58 million increased cost of employee health care. The University's biennial request, he added, covers only employees on state funds and there will be an additional cost to other units for their employees.

If the Committee wishes, he will ask Vice President Carrier and Mr. Fahnhorst to attend a meeting to discuss these issues, Professor Speaks said. He said, however, that he is disturbed about the BUDGET issue. Late last spring the Provost was asked how the University planned to pay for the cost increase if the legislature did not provide the funding; he said the University would find the money. It is now October; what are the options? If he were a dean, Professor Speaks said, he would be worried that the cost increase will be passed to the colleges. (In CLA, a 3% salary increase plus fringes plus the additional costs of health care will cost about $5.2 million.) Who can say what strategies are being considered? What office is considering them and who should the Committee talk to?

Mr. Pfutzenreuter explained that it is never clear when the University should be planning "what ifs." The biennial request is $221 million, of which health care is $58 million. If the University receives only $58 million, it does not take a rocket scientist to figure out what will happen: the fringe benefit costs must be paid.

The Committee and Mr. Pfutzenreuter discussed for some time the problem of planning in the event the University does not receive the funds it needs from the legislature.

Mr. Pfutzenreuter noted that of the $74.7 million annual medical premium for University employees, employees pay about $8.3 million and the University contributes about $66.4 million. The premium cost is increasing about 20% per year and the University picks up the vast majority of that increase. He reviewed the premium increases from 1997 to 2001 (5.5, 11.7, 12.0, 22.7, and 19.6%) and said the University has been told rate increases of that general magnitude are expected for the next several years. This is a very difficult issue, especially if the legislature declines to fund the increases. He agreed with Professor Gudeman that this may be a 10-year problem, not a 2-year problem.

If these increases continue, Professor Gudeman said, the internal discussions should not be just about the dollars but also about priorities and cutting benefits. Faculty and staff should be involved in those conversations. The McGehee committee (the Health Plan Task Force) is a start, Mr. Pfutzenreuter said, and a lot of groups will have to be engaged in the discussion over the next 6 - 9 months. The University will know the outcome of the legislative session by the end of May; the increased costs take effect July 1.

Is this same discussion occurring across the United States, Ms. Phillips asked? Mr. Pfutzenreuter said there is not as much competition among health care providers in Minnesota as there is elsewhere. He noted that one is hearing about this issue in election campaigns, but the State Department of Finance has not recognized the extra cost in its budget instructions to agencies. Professor Speaks recalled a recent article from The Chronicle of Higher Education suggesting that this issue is one of the biggest headaches for higher education nationally. How will the Department of Finance handle the costs in its own office, Professor Campbell asked? Probably with layoffs, as will other agencies, Mr. Pfutzenreuter speculated.

Professor Roe inquired how Mr. Pfutzenreuter saw things evolving, with the Health Plan Task Force looking at options and planning between now and the legislative session. Mr. Pfutzenreuter said he did not have a good sense of how events would play out. The University has been trying to educate people all over about the health care cost increases. Once the President has received advice about legal options with respect to health care (related primarily to collective bargaining issues), it will be time to sit down and consider the situation more seriously, he said.

5. Six-Year Capital Request

Mr. Pfutzenreuter turned next to the capital plan and distributed four handouts. He began by noting that the six-year capital improvement plan has two parts: one, the capital improvement BUDGET for the current year and the capital improvement PLAN for the following five years. One of the latter plans went to the Board of Regents in October, 1999; it is updated annually. The capital improvement BUDGET goes to the Regents in the spring, along with the operating budget.

The biggest factor affecting the six-year capital plan is the request to the state legislature in 2002, 2004, and 2006. (The University also does other capital projects without state funds.) The current six-year capital plan consists of the requests to the state in 2002, 2004, and 2006, plus its own projects undertaken with non-state funds. The usual practice is that legislative sessions in even-numbered years are devoted to capital requests while sessions in odd-numbered years is taken up with operating budgets, but there has been talk that the state will take up a capital budget request in the 2001 session. If that does happen, the University will be positioned to bring in its 2002 capital request a year early.

Mr. Pfutzenreuter reviewed the four approval stages of a capital project (proposal, planning and feasibility, resource acquisition, and implementation). This process was adopted last year, when there was a huge list of projects; it was decided that there needed to be four stages of approval. In the past, if a unit got a project on the list it was assumed that the project was on the six-year capital plan. The list totals $2.8 billion; the University cannot possibly support $2.8 billion in capital projects in six years so it was necessary to get more realistic.

The first phase, proposal, is an internal budget request by a local unit that may turn up as an issue in compact discussions with the colleges. Only when a project is advanced to the second stage, planning and feasibility, does it become part of the six-year capital plan; at that point it is approved to begin pre-design work (building size, operating costs, site, depreciation, etc.). One the planning and feasibility stage is completed, the President may determine that the project should be put into the third state, resource acquisition. The final stage, implementation, means the project is part of the capital budget for the upcoming year.

What is the cost for pre-design work for a building and who pays it, Professor Konstan asked? It is about 1/2 to 1% of building cost and is shared between the academic unit and central administration. Some units fund it themselves; there is no pool of central funds on which to draw for pre-design costs. How many buildings have been built using this process, Ms. Phillips asked? They have gotten more diligent about requiring pre-design work, Mr. Pfutzenreuter said; the University got in trouble with facilities when that work was not done, and now it is required.

Mr. Pfutzenreuter next reviewed the last six-year capital plan that had been approved in October, 1999. As another way to introduce discipline into the system, the plan also looks at "funding lanes" because it is necessary to look at the University's debt capacity. As part of the state request the University has established a ceiling on the request based on an assessment of debt cost and operating costs. The new six-year plan will have constraints. In response to a question from Professor Speaks, Mr. Pfutzenreuter explained that the legislature did not allow the University to count fund-raising the way it wanted to (as a general total against a general capital request total), with the result that the University is paying 40% or more of some facility debt service. It will not make that mistake again, he said, and the University will discourage any project with more than one-third of the cost paid by fund-raising. The legislature will not reward doing well in fund-raising so the University will change its approach.

The next version of this plan will contain modifications to the 2002 and 2004 requests and will include, unlike this one, a proposed 2006 capital request.

Mr. Pfutzenreuter drew the attention of Committee members to a list of capital project requests; the total projected cost is $2.8 billion. It is very unlikely that more than 1/3 of the items on the list will get into the six-year capital plan. What percentage will reach the implementation state, Professor Konstan asked? That depends on the legislature, Mr. Pfutzenreuter said. The University has done well in recent years. Can a project fall off the list because it does not receive funding? It can; even if it is at the top of the list, Professor Campbell added, it can slide down. This all depends on the academic priorities of the President, which have changed since President Hasselmo; now planning is by precinct, Mr. Pfutzenreuter noted.

The Committee had a discussion with Mr. Pfutzenreuter about the relative roles of the Capital Improvements Advisory Committee (CIAC) and the Central Oversight Group (COG); the latter manages the capital planning process, reviews predesigns, works with the President, Chancellors, Executive Vice President, and Senior Vice President on the staging of projects, and so on. CIAC was more active in prior years in setting priorities; President Yudof, however, has made capital construction a cornerstone of his tenure and is actively involved in setting priorities.

So how plans mesh with academic priorities appears to no longer be a responsibility of CIAC, Professor Campbell commented. Capital budget instructions go to all colleges and support units directing them to identify capital needs and send them to the Budget office, Mr. Berthelsen told the Committee, and a list is provided to the vice presidents and chancellors, who are asked to identify the priority for the projects in their area. The Executive Vice President and the Executive Committee then assign a priority to the entire list. The President decides what is on and off the list and the relative priority of items, Mr. Pfutzenreuter said; he is very active in the capital process, like no other recent president. It is appropriate that capital projects be part of the compact process, Ms. Weinberg added, because they are then more closely linked to academic priorities. Those discussions have also led to requests for more information, Mr. Berthelsen said.

Mr. Pfutzenreuter next reviewed the principles that guide the capital plan. Those principles include: use the compact process to identify capital needs to support programs; maintain historical value and character, especially on Northrop Mall and the Knoll; develop plans according to the 4-step procedure (outlined earlier at the meeting); all projects must complete a predesign; calculation of estimated costs must include operating costs, related infrastructure, and depreciation; increased emphasis needs to be placed on renewal and replacement through (HEAPR) funding for that purpose from the state; projects advancing to the state request will be required to include not less than 50% of the one-third state match required from unit resources (effective for 2004 and beyond); and scheduling of projects will adhere to overall framework and timing as embodied in the campus master plan and precinct planning documents (Higher Education Asset Preservation and Renewal). The University will ask for substantially more HEAPR funds each of the next two years, Mr. Pfutzenreuter said because there are significant needs.

There will be a fund-raising requirement for many buildings; units will be asked to contribute one-half of the University's one-third cost. This requirement has varied with the unit in the past, Mr. Berthelsen said; in the future it will be consistent.

Does fund-raising ability affect priority ranking on the list, Professor Speaks asked? It can, Mr. Pfutzenreuter said. Professor Konstan said that if a unit raises more than one-third of the cost, the University's position is that the money is for the department's use, as are funds from naming opportunities. Mr. Pfutzenreuter said he did not know whether units owned naming rights.

Mr. Pfutzenreuter reviewed the timeline of events. The Regents will review and approve, in November/December 2000, a preliminary prioritized capital request for 2002 and unprioritized 2004 and 2006 requests. They review and approve the final 2002 capital request in fall, 2001, and the state enacts a bonding bill by May, 2002.

Can the legislature decide what the funds are to be used for, Professor Speaks asked? The legislature adopts a line item bill that stipulates funding for specific buildings, Mr. Pfutzenreuter explained, although the HEAPR funds are usually a block grant. The legislature can also add projects that were not on the University's list. Mr. Pfutzenreuter pointed to one of the handouts as an example of the kinds of projects for which HEAPR money would be spent. The 2002 list now totals nearly $93 million; the final list will not be that large.

The request goes to the Regents in October and November; Professor Speaks asked that the Committee be notified if the Board wants something different from what is on the list; Mr. Pfutzenreuter promised to do so. The Board will not comment on the priorities until the summer, Mr. Berthelsen said.

Professor Johnson asked how the request will affect the University's debt limits. It will constrain the request, Mr. Pfutzenreuter affirmed. The target is $25 million in additional debt every two years, which is not a threat to the University's debt rating.

Professor Speaks noted the projects that had reached the "planning and feasibility" or second stage of approval in the last six-year plan. Will the priorities change, will projects be dropped, will there be new items? Mr. Pfutzenreuter answered yes to all three possibilities and added that those projects not funded in 2000 could be a priority in 2002. But, he said, none of the changes to the list will be significant.

The information is useful but it is not clear how the Committee can weigh in to offer advice to the President on what the priorities should be, Professor Speaks said. The process is not over until the Regents approve the plan in November, Mr. Pfutzenreuter commented, so there is time for the Committee to review the plan. Members of the Committee deliberated over what role they believed the Committee can and should play; Professor Speaks took the position that it was not worthwhile for the Committee to look at the capital plan unless he was convinced the President wanted advice before the plan is approved. He said he would express this view to the President at the Faculty Consultative Committee meeting two days hence. [N.B. At that meeting, the President said he would welcome the Committee's advice and urged it to review the plan.]

Professor Campbell said he would like to have addressed in writing the question of how the capital plan addresses academic priorities.

It takes four years to get approval for a facility, Professor Konstan concluded, beginning with two years on an unprioritized list. What information gets things on to the list, Professor Roe asked? The Committee does not have the time or access to information to review the entire list and should focus on academic projects. Sometimes the reason an item is on the list is because of politics, Mr. Pfutzenreuter observed. Professor Speaks said the Committee should not worry about politics but should consider how a project plays into academic priorities.

It was agreed that the agenda for the October 31 meeting would be re-ordered to permit Committee review of the six-year capital plan and that the appropriate people would be invited to join the discussion.

Professor Gudeman said he was glad to engage in the process but said if one is to talk about academic priorities, that should take place before a discussion of capital projects rather than emerge from the discussion. This puts the cart before the horse. Professor Speaks responded that he did not want the Committee "buried in process" and suggests only asking why a project is important to the University. If there is to be a long discussion of academic priorities there will have to be meetings in advance of the October 31 discussions. Academic priorities set by others will emerge from the discussion, Professor Campbell concluded, and the administration has a set of priorities as well.

Professor Speaks adjourned the meeting at 4:45.

-- Gary Engstrand

University of Minnesota