

Minutes\*

**Faculty Consultative Committee**  
**Thursday, May 31, 2001**  
**12:00 - 2:15**  
**385 Mondale Hall**

Present: Fred Morrison (chair), Wilbert Ahern, Muriel Bebeau, Susan Brorson, Dan Feeney, Richard Goldstein, Marti Hope Gonzales, David Hamilton, Marvin Marshak, Joseph Massey, Paula Rabinowitz, Billie Wahlstrom

Regrets: Les Drewes, V. Rama Murthy, Charles Speaks

Absent: Linda Brady

Guests: Members of the Interim Health Benefits Advisory Committee; President Mark Yudof

Other: Elizabeth Wroblewski (Office of the Chief of Staff)

[In these minutes: (1) health care; (2) politics and the budget; (3) nominees for review of the General Counsel; (4) Twin Cities campus athletics philosophy statement; (5) Coffman Union; (6) presentation to Professor Morrison; (7) discussion with President Yudof about the future of public research universities and the University's budget]

**1. Health Care**

Professor Morrison convened the meeting at 12:30 and noted that the first part was a joint meeting with the members of the Interim Health Benefits Advisory Committee (HBAC). He reported that the HBAC had been meeting before the FCC meeting and had voted, 11-0, to recommend to the President that the University separate from the state and offer its own health care options to employees. He then briefly reviewed the several options that would be made available to employees, should the President and Board of Regents accept the recommendation from the HBAC. Committee members discussed various elements of the proposed plans for some while.

Later in the discussion several numbers and percentages were mentioned. of the originally projected increased cost, about one-third will be paid by the University, about one-third will be absorbed by employees, and about one-third has been eliminated through the competitive proposal process. Professor Goldstein emphasized that the increased employee cost should not be minimized.

**2. Events at the Capitol**

Professor Marshak reported on events at the legislature and the likely outcome of negotiations between the legislature and the Governor in terms of funding for the University.

The discussion evolved to consideration of public investment versus private consumption and the triumph of the latter in terms of deciding how public funds should be used. Professor Ahern cautioned

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that the relative emphasis on investment and consumption ebbs and flows in American history; he asked what the faculty could do to help resurrect the idea of education as a public good.

Professor Marshak said that a number of the presidents of the large public research universities, including President Yudof, are talking about the subject. One measure is the salary differential between public and private institutions; it has now reached about 25%; how far can that go before the public institutions are not competitive? With respect to the U. S. News and World Report rankings, he pointed out that they are heavily based on admissions; if an institution admits an elite student body it will be highly ranked. The University will never look good using that kind of criterion. The public institutions that look best in the USNWR rankings are the quasi-private schools of the southeast, such as the University of Virginia, Georgia Tech, and William and Mary.

In the extreme case, if the University were to operate as a quasi-private institution, it would use X amount of the state funds to buy down increases from the \$20,000 tuition and Y amount to support programs important for the state.

It must not be forgotten that the University is a land-grant institution, Professor Massey said; extension and civic engagement are at the heart of the University. That may not be so if the state does not want to pay for those activities, Dr. Green [HBAC member] observed. To ignore outreach and civic engagement would not be good for the long-term, Professor Ahern maintained, if the University wants to argue that higher education is a public good.

Professor Morrison wondered if it will be possible to maintain the character of a state university in the future. Professor Ahern recalled that Wisconsin during the Progressive Era was explicit about being a public good and the faculty were activists on behalf of the proposition. At the end of the 20<sup>th</sup> Century they are reluctant to do so. Moreover, Professor Marshak observed, the state (Wisconsin) is doing all it can to wreck the University of Wisconsin. Wisconsin is also losing a large number of faculty in biology fields, Professor Hamilton said, and is not replacing them because it does not have enough money. One can find even more disastrous situations, Professor Marshak agreed; there are lots of states carrying out VERY bad higher education policy.

### **3. General Counsel Review Committee**

Professor Morrison noted that the Committee had received a letter from Vice President Brown asking for faculty nominees to serve on the review committee for General Counsel Mark Rotenberg. The Committee decided unanimously to nominate Professor George Sheets, Chair of the Senate Judicial Committee, and Professor Dan Feeney from this Committee.

### **4. Twin Cities Campus Intercollegiate Athletics Philosophy Statement**

The Committee next considered the changes being proposed by the Faculty Academic Oversight Committee for Intercollegiate Athletics and the Advisory Committee on Athletics to the Regents' Philosophy Statement on Intercollegiate Athletics for the Twin Cities campus. Committee members had questions about some of the proposed terms and phrases and concluded that it wished to restore the original language in one section (concerning the allowable impact of athletics on a student's academic performance).

## **5. Coffman Union**

Professor Marshak noted that the price for remodeling Coffman Union had increased by \$30 million. Professor Hamilton said he believed this Committee had not taken a strong enough position criticizing the plans; Professor Feeney noted that the Committee on Finance and Planning had sharply criticized them.

Committee members expressed a great deal of skepticism about the financial plans proposed to finance the remodeling of the Union.

## **6. A Gift**

Professor Massey presented to Professor Morrison a gift from the Committee as a token of thanks for his service as chair. Professor Morrison received a round of applause.

## **7. Discussion with President Yudof**

Professor Morrison welcomed the President to the meeting and reported on the action of the Interim Health Benefits Advisory Committee in recommending that the University separate from the State.

The discussion then turned again to political and financial matters and focused for some while on the various alternatives available to the administration to raise funds necessary to pay for common goods. The President outlined the options as he saw them and said he would take all the advice he could get and try to adopt as fair a system as possible. He said that if tuition is to increase significantly, he would like set up a system that can be adjusted and one that covers costs while providing a rational plan for supporting the entire University.

There was also brief discussion about finances in the Academic Health Center and mechanisms in place to prevent future deficits and structural imbalances. It was agreed that the Committee should receive a presentation on this topic in the future.

The Committee and the President returned to the changing climate for higher education. Professor Ahern again noted the ebb and flow of American history and asked what the faculty and governance system could do to help move things in the other direction--while also not tilting at windmills.

President Yudof said it was not easy and that the administration and Committee should spend the next year talking about the situation. The Faculty Senate, the administration, and the Board of Regents must discuss taking the University in the direction of being quasi-private; if it goes that way, there are hard financial questions that need to be answered about outreach activities (students cannot be expected to pay for them with their tuition dollars), enrollment, scholarship, and so on. The President said he believed the outreach functions of the University would be reduced if it were to privatize--they may be good activities, but not if they cannot pay for themselves, and if the University diverts money from faculty and buildings, it will sink fast no matter how good its outreach activities are.

Professor Ahern said that if the budget is built on tuition, money will need to go to undergraduate education; what about high technology and other ventures that are good for the state but which the

University could not afford? The President suggested that Professor Ahern can chair the committee to look into these hard questions; he agreed that one puts the money into activities that serve students, not into sophisticated research ventures. Professor Ahern said they must think about the long term and what would make the cycle move in the other direction; it could be ten or fifteen years before higher education is once again recognized as a public good, he concluded. The President said it has been in the cycle for the last twenty years and that it is tiresome to keep making the same arguments and being asked for better data.

Professor Morrison adjourned the meeting at 2:10 in order that the President and Committee members could attend the Faculty Senate meeting.

-- Gary Engstrand

University of Minnesota