

Minutes

Senate Consultative Committee May 31, 1990

Present: Warren Ibele (chair), Karin Alexander, W. Andrew Collins, Martin Conroy, Amos Deinard (UMTC, 1990-93), Paul Holm (UMC, 1990-93), Eric Huang, Gunnar Johnson, Norman Kerr, Tim Morse (UMTC, 1990-91), Lynnette Mullins, Ronald Phillips, Kurt Schentzel (UMW, 1990-91), Thomas Scott (UMTC 1990-93), Burton Shapiro, Michael Steffes, Adam Stenberg, Charlotte Striebel, James Swick (UMTC, 1990-91), Tina Tidrick (UMM, 1990-91), Shawn Towle (UMTC, 1990-91), James VanAlstine (UMM, 1990-93), Christine VeLure (UMTC, 1990-91), Shirley Zimmerman (UMTC, 1990-91)

Guests: Senior Vice President Gus Donhowe, President Nils Hasselmo, (Pat Hasselmo, briefly), Marilee Ward (University Senate)

1. Report of the Chair

Given that many of next year's Committee members were present for the first time, Professor Ibele called upon all those present to introduce themselves.

2. Discussion with President Hasselmo

The President welcomed the Committee to Eastcliff and thanked it for its work on behalf of the University.

Searches President Hasselmo began his comments by telling the Committee that he had extended an offer to Marvalene Hughes to become Vice President for Student Affairs and had every indication that she would accept. She received very strong support from a wide variety of constituents, the President reported, although the other two candidates were also widely supported, and her record suggests she will be able to provide outstanding leadership in student affairs, particularly in the implementation of the Initiative for Excellence in Undergraduate Education.

The new national search for the Vice President for the Health Sciences will begin anew; he has asked Acting Vice President Perlmutter to stay on through July of 1991. This was not an easy decision, he said, but he concluded it was necessary; a (new) search committee will be established as soon as possible.

The searches for the chancellorships at Morris and Waseca are in progress; the slate for the Morris chancellorship appears to be a strong one.

There are several deanships which need to be filled, including CLA, the Carlson School of Management (the finalist whom University pursued turned the position down), Nursing, Public Health, and Agriculture.

The position of Associate Vice President for Academic Affairs with responsibility for minority affairs will also need to be filled. There will be a search for someone who can bring strong leadership to the position.

One Committee member informed the President that the search firm used in the Vice President for Student Affairs search, according to the students on the search committee, had difficulty in finding

minority candidates. Either a different search firm, or not using one at all, should be considered. The President agreed that the firms have a mixed record and that they are very expensive; it may not be worth the investment. Each position has its own network; the University has to be sure not only to tap into that particular network but also into those which will draw in women and minorities. Professor Ibele reported that comments from Committee members, from time to time, suggest there is considerable faculty skepticism about use of search firms; faculty probably have better networks of contacts than do the firms. The President agreed but said that in instances where the University might wish to look outside traditional academic circles the firms might provide useful services.

The President commented that he will, in the future, appoint smaller search committees. The CLA committee is large, due to constitutional provisions. He said he would ask the Consultative Committee, next Fall, to look at what the most effective way to conduct searches might be in order to ensure that the process contains the safeguards the institutions wants while also being less cumbersome. Up to now the University has erred in the direction of search committees which are too large.

Planning The most important activity the University faces, after the budget is set, is the legislative request for the 1991-93 biennium. There must be an aggressive presentation; the request must also represent the themes which have been established: by the faculty, staff, and students, the Initiative for Excellence, diversity, research and instructional equipment. There must arise from the request a sense of vision and direction for the University; ensuring that that is the case will be the work of the summer for the Cabinet. After the preliminary work the request will be brought to the Committee for comment.

Also in the Fall, the President said, he intends to make a statement both in support of the request but which will also begin to look beyond 1993--which is as far as present plans extend. Little has been said about what will occur thereafter; what will happen with enrollment, for instance, must be decided--growth in some form may be inevitable but it must not be permitted to erode whatever gains in quality have been made. This also must be the subject of substantial discussions with the Committee in the Fall.

Racism and Bigotry The President expressed gratitude that Professor Ibele and the Committee were taking up the matter of expressions of bigotry and racial hatred in a way that does not engender problems with freedom of speech and academic freedom. He inquired if the Committee might be willing to look at policies that the University might consider to deal with these very difficult issues. In the aftermath of the experience at Michigan, where the policy failed in court, there may be steps the University can consider--although the President expressed reservations about imposing constraints on activities and speech and also said he was troubled by the inability of the institution to respond to rabid expressions of opinion. This has, he said, been the most difficult issues he has had to confront as president and he would welcome the advice of the Committee. The University must provide an atmosphere of security and a sense that justice can be had on campus; advising students through orientation that they will encounter a variety of divergent views may be one way to proceed.

Division Between Faculty and Students The President repeated the sentiments he had expressed to the Faculty Consultative Committee about the apparent division between faculty and students; he said he hoped that voting blocks could be avoided, even though student and faculty perspectives will differ. It would be desirable to have as much consultation as possible; while there may not always be consensus, there should wherever possible be compromises as long as they do not violate fundamental principles. The governance system is too important a part of the institution to permit it to be damaged

by these kinds of divisions. The President said he would do whatever he could to help the system prosper.

One student member expressed the hope that working together could include presentations at the legislature as well as at the federal level. The President concurred and inquired if there had been instances where faculty, students, and administration had not worked well together during the last legislative session. The Committee appeared to be of the view that there had been excellent cooperation during the last session.

Another comment was that there should also be a unified view at the national level on the ROTC/gay/lesbian issue; the President agreed and noted that he had taken the position that working through the national associations was the best way to proceed at present. He suggested, however, that students might wish to make independent contacts with the Congressional delegation to advise the members of Congress about their views.

It was suggested by one of the student members of the Committee that most of the conflicts which had occurred during this year would not recur in 1990-91.

Another student member of the Committee argued that one of the most important issues that the three groups needed to work together on at the legislature is faculty salaries; indirectly, it was said, this issue affects students more than most because of the quality of faculty the University is able to hire. The students would have no problem working on this issue. This was, it was recalled, the primary unstated objective of students during the last biennium; most other issues were put aside to work on it.

Tuition One of the faculty members responded that there is a large group of faculty which is equally concerned about tuition; he commented that "it hurts that in order to get a cost of living increase tuition has to be increased." The President noted that University tuition is about average among its peers--which does not mean anything to the students who have to pay it; the more important question is how tuition relates to the ability of students who should be at the University to pay that tuition. The President reported on the letter that would appear in the Daily the next day about tuition. One major tension with the 2/3-1/3 formula is that as the University puts more money into the instructional budget tuition is automatically driven up. The State has a high tuition and--presumably--high aid model; there must, therefore, be sufficient and flexible financial aid available. The University must work hard to ensure that there are sufficient financial aid funds; the President said he was staking his hopes on increased fund-raising but acknowledged that it may be necessary to set aside more money out of the O & M budget for financial aid (\$500,000 has been identified for 1990-91).

There seems to be no likelihood, he added, that the legislature will move away from the 2/3-1/3 formula--it has, rather, adopted that same formula for capital construction. For instructional facilities the income to pay the debt service will most likely come from tuition. This does not mean there would be an extra tuition increase; it means that some of the tuition income which would otherwise go to instructional improvements may have to go instead towards debt service. Dr. Hasselmo said that the University will continue to try to remove items from the instructional budget so that the 1/3 to be paid by tuition does not increase so dramatically; this includes subsidies for the very expensive programs which cannot possibly charge 1/3 of their costs in tuition.

The Committee extended thanks to the President and to Marilee Ward for the arrangements for the lunch.

3. Assignment of Seats on the Steering Committee

Professor Ibele noted that the Assembly Steering Committee is charged, as a result of the adoption of Assembly by-law amendments, with allocating the five student seats on the Steering Committee between MSA and the Graduate and Professional Student Assembly (GAPSA); the allocation is to be approximately proportional to the number of students represented by the two groups.

The Steering Committee members deliberated the allocation of seats for about 45 minutes; among the principal points made were these:

- The faculty were dismayed that this issue was once again consuming time at an SCC meeting.
- There was no agreement between GAPSA and MSA about the allocation of seats; the numbers did not readily suggest an easy solution (because GAPSA would be entitled to 1.43 seats and MSA to 3.57).

The final agreement was that GAPSA and MSA would meet and resolve the issue and report back to the Senate Consultative Committee, preferably no later than July 1, 1990 (when the terms of the new members begin). Yet to be resolved are the questions of whether or not alternates would be permitted and whether or not they would be permitted to speak at the meetings.

4. Discussion with Senior Vice President Donhowe

Professor Ibele welcomed Mr. Donhowe to the meeting to discuss athletic facilities funding and other matters.

Athletic Facilities Mr. Donhowe recalled that the resolution adopted by SCC concerning athletic facilities contained a contingency clause asking that any decisions on facilities await the report of the Page-Merwin ad hoc committee on athletics. That report has now been prepared, he reported, and it will recommend no change in the competitive status of intercollegiate athletics; it also recommends keeping sports on campus and supports the plan for the construction of a new hockey arena and remodeling of Williams/Mariucci Arena.

Another concern, Professor Ibele said, was that construction of the facilities presumed the continuation of a revenue stream to pay off the bonds; the question is whether or not that would continue to place undue pressure on the student-athletes and confront them with the same situation they now face.

One thing that has not been discussed, Mr. Donhowe observed, is what will occur when the bonds are sold. Up to now the athletic programs have controlled their revenue; this bonding obligation will almost inevitably require that revenues flow into University coffers, be controlled by central administration, and then flow back to intercollegiate athletics on the basis of budget decisions rather than on the basis of income. There will in addition be non-athletic revenues pledged to the bonds, such as parking. At least from a budgetary point of view both departments would be somewhat more insulated than they are now from the revenues. This does not mean that the risk goes away but it does become a University risk rather than one which falls upon either athletic department.

If a decision were made to no longer compete at the level of NCAA Division I athletics, Mr. Donhowe observed, then the risk increases substantially; such a decision, however, does not seem very probable.

There was a question about the projection that NCAA income would be decreasing over the next ten years; Mr. Donhowe corrected the questioner by pointing out that the revenues (from television) will increase, not decrease. The problem of the pressure on teams to win in order to obtain a part of those television revenues, Mr. Donhowe observed, is one which all NCAA teams share and which will not be solved by remodeling the Arena. The project will affect where the money goes and who decides what to do with it rather than having income dedicated to men's athletics. This is not, he explained with a smile, "a proposal for World Peace."

Debt Service on Construction Mr. Donhowe was asked if the University had any preliminary responses to the requirement that it assume responsibility for one-third of the debt service on capital construction. He told the Committee that factual information will be presented to the Board of Regents at their June meeting--how the State sells bonds, what kind they are, and what it does to debt service. In short, the State sells bonds once a year (in July) and the University must notify the State by June 19 if it wishes any bonds to be sold in order to finance construction. If the University does not tell the State to sell bonds then it cannot proceed with any projects approved in the bonding bill; if it does ask the State to sell bonds, it is then obligated for the one-third of the debt service for the next 20 years.

There are, Mr. Donhowe said, only six areas that he can identify where revenue to pay off the bonds can be obtained: tuition, student fees, indirect cost recovery funds, fees paid by outsiders (users), "other"--state specials, and the State itself (fire and life safety improvements are exempted from the one-third rule). It will be necessary to assign any project released for bid to one of those six revenue streams.

Mr. Donhowe said he would be delighted if anyone could come up with a seventh source. Private money might be such a source but it could not be raised soon enough to be a revenue stream for projects upon which construction can soon begin. Three buildings are virtually ready to go: Ferguson Hall, the Morris Student Center, and Phase B of the Recreational Sports facility. They will be stopped completely if the University does not tell the State to sell bonds; the projects will then be deferred. Otherwise revenues will have to be assigned to each; if tuition, at \$5 per quarter or whatever it might be, then it will be added to tuition for the next 20 years. And it is the first dollar of income--tuition, ICR, whatever the source--that pays the debt; that is the rigidity of debt service.

Mr. Donhowe was asked what the result would be if the moratorium on the use of tuition (included in the bonding bill but effective only for 1990-91) were extended--something that students will most certainly seek. "Most of the buildings would not be built," he replied. The ban on use of tuition was clearly for one year only; legislators who had to run for re-election did not want to face the criticism that they had just laid this burden on students. Mr. Donhowe said there was virtually no chance the legislature would continue the moratorium--because the other systems have no other source of income. The legislature did expect bonds would be sold next year and expected that the systems would have to grope around to find temporary sources to cover the debt service; it also knew that 1990-91 would probably be the smallest amount of bonding any of the systems would request because the process is new.

Asked about the possibility of long-term fund-raising from private sources for construction, Mr. Donhowe pointed out that the professionals say it is easier to be successful if there is promise to build rather than asking people to contribute to a building already built which happens to have a debt on it; "the `John Jones Memorial Debt Service Retirement Fund' doesn't really have a good marketing ring to it." Beyond the present projects, he added, there is a list of buildings; to rely on philanthropy to pay the debt service would require putting them on hold for awhile until a campaign to raise funds could be launched. Such a campaign might be an 8-10 year effort.

Asked if he thought the one-third debt service would be a permanent arrangement, Mr. Donhowe said it was his personal opinion that it would be. If so, and if the University were to seek more private funds, how would the priority ranking of the buildings be affected? Mr. Donhowe thought the rankings might be considerably affected; projects for which the University would have to raise money would have "some pizzaz" if the effort were to be successful. With the athletic facilities, for example, the shortfall in the Recreational Sport facility funds is being married to the fund-raising effort for intercollegiate athletics; presumably some similar packaging could be arranged for other projects. There will, however, be priority issues about which the University will have to be clear: Can a lot of money be raised for capital assets at the same time the University is seeking to raise a lot of money for student financial aid? It is not clear the University is capable of doing that. The Foundation, he explained, has a very narrow base of donors of large corporations and very wealthy individuals; the Minnesota Campaign did not receive a lot of money from the alumni public. If the University is to be successful in raising much more money it will have to dramatically broaden the base of donors--and that will be no small task.

One student member of the Committee alluded again to the possibility of removing student tuition from the bonds. Tuition, it was noted, also goes to support quality faculty; "I for one would prefer to have a quality faculty and bad buildings rather than a bad faculty and good buildings." Tuition cannot effectively support both, it was argued. Mr. Donhowe commented that for instructional buildings, or the instructional portion of buildings, if tuition is not to be used and general funds are not to be used (which has the same effect), then the only choice left is to not build the buildings. The rationale of the legislature, he added, was that the institutions have been receiving an absolutely free good and not making wise choices; they thought "if you can convince us to fund it you give up nothing." So the legislature concluded that the institutions should build them into their priorities--and then it would be learned how important the projects were to them.

Mr. Donhowe agreed that the new bonding arrangements should provide the basis for a stronger argument for the legislature to release the last of the Indirect Cost Recovery offset funds--for funding the debt service on research facilities. He also agreed with the observation that most of the planned facilities, at least on the Twin Cities campus, were for research rather than for instruction. There is not much done for undergraduate education, he added--which may not be the best priority. Generally speaking, he said, the capital budget should reflect the same institutional priorities as the operating budget--both of which should reflect the objectives of long-range plans. The capital budget does not mesh with either the plans or the operating budgets.

Another source, it was suggested, is the federal government; in some areas there are pork barrel funds for capital construction; is that to be investigated? Mr. Donhowe said that was within the purview of the faculty--whether it wants to seek pork barrel funds or it wants to stay pure. The faculty has to decide if it wishes to be pure or if it wishes to be practical and "go for the bucks regardless of how you get there." One Committee member observed that the legislative action "affects my purity"; Mr. Donhowe said he understood and observed that the decision was not his to make.

Progress on the Health Care Task Force Mr. Donhowe was asked about the work of the health care task force; he said that all that is known now is something about comparative costs--but not nearly as much as needs to be known. The University is being denied information from the state plan; what is known is the incidence of claims and the amount of claims but what is not known is the discount that they have negotiated under the Blue Cross plan. They claim that the discount is proprietary information; the University, Mr. Donhowe said, understands the problem but would make adequate arrangements to keep the information private.

The task force has distributed a questionnaire to all staff in order to assess preferences; it is also looking at basic models in order to offer genuine choices rather than choices which are not significantly different from each other.

One option being explored is whether or not Boynton and the University Hospital can be a choice; it is also likely that there will be far fewer choices--but each would be very different from the other.

Finally, the task force will also probably look at mental health and chemical dependency treatment as being a distinctive kind of coverage which may be dealt with separately.

Flexible benefits are also being seriously examined. No conclusions, however, have been reached on any of these issues.

Professional School Tuition Offset Mr. Donhowe was asked if there was any possibility of obtaining the offset; he said the University continues to seek it and that it is probably the only feasible way to reduce the demands on tuition (rather than a change in the 1/2-2/3 formula). It does not have huge financial implications for the state; it also is an argument that cannot be replicated by any of the other systems. It should be a major initiative at the legislature next time.

Mr. Donhowe commented that he hoped that the list of things the University wanted to accomplish could be a short one so that time and energy could be spent on them--rather than having a long laundry list of items and entrepreneurs sent off to be supplicants in St. Paul. A short list of carefully considered items should be prepared.

Child Care In response to a question Mr. Donhowe reviewed for the Committee the plans for the new child care facility, including the sources of funds and numbers of children who could be served by the center. He assured the Committee that the new center would provide spaces on the basis of 1/3 for faculty, 1/3 for staff, and 1/3 for students; the task force, however, was reluctant to think about quotas, which creates classes of parents. Fees will be structured to take into account income; part of the financing package is set up to provide subsidies.

Central Reserves Mr. Donhowe said, in response to a question, that the central reserves were not set up such that they would grow back nor were they protected from legislative deprecation. Programmatic demands on the income from the reserves is sufficiently strong, he said, that to let them grow back would require foregoing spending. While it might be desirable to have them larger, the subject is not one being discussed at the moment. There is no legal or statutory protection from the legislature imposing an offset against the income, but there is not nearly the concern that there once was among legislators about the reserves. They are watching how the University is using the money and believe the funds are being used prudently and appropriately. Some legislators think the reserves

are too small, others think they are too large; the University simply wants to keep them "within a band of non-aggression." The fact that they are not secret any more is also critically important, he agreed.

Professor Ibele thanked Mr. Donhowe for his time.

The Committee, after Mr. Donhowe departed, concluded that it did not wish to amend its earlier resolution concerning athletic facilities (which endorsed keeping sports on campus but which made no comment about specific facilities plans).

5. Committee Discussion of Student-Faculty Relations

Mr. Huang thanked Professor Ibele for his letter expressing dismay at the division between students and faculty. The students had discussed relations with the faculty; he felt the relationship would improve next year. The students do feel that their views on issues, and the way they vote, will continue to reflect what they believe will be most beneficial to their constituents. There will, he said, always be divisions in the Senate, and that will probably continue; divisions occur among the faculty as well.

Mr. Huang also said that the students hoped that a better working relationship could be developed on the Committee next year; there were misperceptions on both sides which could have been eliminated. But students and faculty can, he concluded, work together more effectively. Students, he pointed out, for the most part look up to the faculty.

Committee members discussed further the division between faculty and students, the recent proposals from SCEP, and the need for additional communication between students and faculty in advance of Senate meetings as well as generally during the year. The Committee seemed to agree that it was a unique forum in the University for the open and honest exchange of views between students and faculty.

It was suggested that the Committee should consider ways to increase student participation in the elections so that the mandate to the elected students was clearer. The faculty, it was said, would be willing to help.

There was agreement that the Committee should have a Fall retreat.

Professor Ibele thanked everyone for their participation and wished them a pleasant summer.

The Committee adjourned at about 2:45.

-- Gary Engstrand