



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University Senate Consultative Committee
220 Biological Sciences Center
1445 Gortner Avenue
St. Paul, Minnesota 55108

Telephone (612)373-3226

AGENDA

ALL UNIVERSITY SENATE CONSULTATIVE COMMITTEE
Thursday, March 18, 1982
12:45 - 3:00 p.m.
Regents Room, Morrill Hall

1. Fix agenda
2. Minutes of March 4 (hand-out at meeting)
3. Report of Chair, including
 - a. V. P. Keller's March 8 memo on consultation
 - b. SCEP's response on course evaluation after MSC closes
 - c. SCEP subcommittee on re-establishing 'F'
4. Report from Student Chair
5. Committee reports
 - a. Finance
 - b. Subcommittee on financial emergency
6. Reports from Regents meetings
7. Old business
 - a. Special Calendar Committee - approve composition
8. New business
 - a. Proposal from Faculty Affairs Committee to co-sponsor forum on faculty salaries
 - b. Reports from Committee on Committees (March 18 or April 8, as time permits) (2 enclosures)
 - i. Council on Liberal Education
 - ii. Civil Service representation on Senate committees
 - c. Questions for President Magrath.
9. Conversation with the President (letter enclosed)



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MINUTES
SENATE CONSULTATIVE COMMITTEE
March 18, 1982

The Senate Consultative Committee was convened at 1:00 p.m. in the Regents Room of Morrill Hall by Douglas Pratt, Chairman. Other members present were Robert Brasted, Nancy Brecht, Marcia Eaton, John Howe, Dave Lenander, Rick Linden, Marvin Mattson, Rick Purple, Paul Quie, Donald Spring, Patricia Swan. Guests present were Carol Pazandak and Maureen Smith.

1. The agenda was fixed.
2. The minutes of March 4 were distributed, read, and approved.
3. Report of the Chair.

a. Course evaluation following close of Measurement Services Center.

Stanford Lehmborg, Chairman of SCEP, has informed the SCC that SCEP will not investigate the question further until it knows which services formerly executed by MSC will continue to be available although dispersed to new offices.

b. Re-establishing the grade 'F'.

SCEP has created an expanded subcommittee consisting of two members of SCEP, two members of the Student Academic Services Committee, and two students to be appointed by Bruce Thorpe, MSA president.

4. Report of Student Chair. (Nancy Brecht for Kit Wiseman)

Funding for Student Course Information Project (SCIP).

The Fees Committee voted by a narrow margin to stop funding SCIP. Next, the MSA Forum voted overwhelmingly to continue to pay \$0.24 per student fee to fund half of SCIP's costs--if and only if the Office of Academic Affairs would fund the other half. The students want continuation of both the course and the teaching evaluation portions. Chairman of the Fees Committee and Nancy Brecht met March 16 with the Central Officers Group. Although no money is available centrally, President Magrath indicated that since student interest in the project is increasing, he would look for ways to try to continue SCIP. MSA might attempt to be the sole funder, and Vice President Keller said the MSC employee retained might be able to assist.

Nancy Brecht said many students use SCIP creatively in choosing their electives. Students recognize SCIP has flaws; they favor an examination of ways to improve it. Between 40% and 50% of University courses are now covered, with the emphasis on plausible electives.

5. Committee Reports.

a. Finance. Patricia Swan.

The Senate Finance Committee will meet immediately following today's SCC meeting. Main agenda items: making the budget cuts match program planning, and examining reductions planned for coordinate campuses. Professor Howe recommended asking Vice President Keller to clarify the issue of the relative size of the cuts on coordinate campuses. Professor Spring will raise the specific question of how cuts in central administration were pro-rated to the coordinate campuses.

b. Subcommittee on financial emergency. Marcia Eaton.

The subcommittee is working hard to produce a procedures document. The Tenure Committee has not taken its proposed revision of Section 15 of the 1973 proposed tenure code through the Committee on Faculty Affairs. The subcommittee wants to discourage the Tenure Committee from taking a flawed document on financial emergency to the Senate, even though its motive is to gain feedback. The subcommittee is working on a similar type of document. Eaton and Spring emphasized the need to coordinate three aspects of financial emergency in a document: the declaration, the procedures for implementation, and the rights of faculty. The subcommittee has drafted a document on declaration and has nearly completed a draft on faculty rights.

The subcommittee pointed out that the Faculty Consultative Committee, as the steering committee for the Faculty Senate, can insist upon a central role in examining the proposed new documents prior to their submission to the Senate.

Professor Eaton moved that Professor Pratt inform Stephen Gasiorowicz, Chairman of the Tenure Committee, that the Consultative Committee is eager to review their document prior to its submission to the Senate, and request that Tenure submit the proposed revision to both SCFA and the FCC. The motion was carried without dissent.

6. Reports from Regents Meetings.

a. Faculty and Staff Affairs. Robert Brasted.

On the faculty consultation policy, the Regents want to be assured there is close administrative monitoring of consulting time. There seems ample evidence such monitoring occurs.

b. Committee of the Whole. Brasted.

In discussing tuition policy, the Regents considered whether the anticipated monetary values of various diplomas should justify differential tuition rates.

c. Educational Policy. Eaton. Regents will not adjust budget decisions within the program priorities.

7. Old Business.

a. Establishment of Special Committee on the All University Calendar.

Professor Pratt reported the proposed membership in addition to the Campus Calendar Committee:

Roger Upson and Robert Beck (SCEP)
Stephen Granger (UMM)
Anthony Kuznik (UMC)
Gerald Allen (UMD)

Waseca (to be arranged)
Professional schools--a Medical
School basic sciences head, probably
Harry Hogenkamp of Biochemistry.

Professor Spring moved the SCC approve this composition with the proviso that the representatives from Duluth and Waseca serve ex officio. The motion was carried without dissent.

(The meeting was recessed at 1:40 for the conversation with the President, and resumed briefly at 3:00.)

8. New business.

a. Forum on Faculty Salaries.

The SCC voted to co-sponsor such a forum with the Committee on Faculty Affairs, to move the Senate meeting to Tuesday, April 6, and to schedule the Forum immediately following the Senate.

The SCC meeting remains on Thursday, April 8.

The meeting adjourned at 3:05 p.m.

Respectfully submitted,

Meredith Poppele

Meredith Poppele, Secretary



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CONVERSATION WITH THE PRESIDENT

March 18, 1982

The Senate Consultative Committee's Conversation with President Magrath and Vice President Keller was convened at 1:45 p.m. in the Regents Room by Douglas Pratt, SCC Chairman. Present: (SCC) Robert Brasted, Nancy Brecht, Marcia Eaton, John Howe, Dave Lenander, Rick Linden, Marv Mattson, Rick Purple, Paul Quie, Donald Spring, Patricia Swan; Guests Maureen Smith, Carol Pazandak.

The President responded to the committee's three questions sent in advance.

1. University Hospitals Plans.

The Regents are the only body with the authority to ask the state to authorize bond sales. The Regents have been unwilling to take that step until they knew the plan would both meet an important University need and be fiscally sound.

The project has been under consideration for many years. It would culminate the modernization of the University's Health Sciences facilities. Superb work is done at this teaching hospital, most parts of which are in very poor condition. There continues to be urgent need for a new University of Minnesota hospital.

Because of the costs, the President undertook to get a second assessment on the project's feasibility. Reimbursements to hospitals are being affected by changes in the country's systems of third party payments.

When the project was first discussed, bond interest was 6-6½%. Planning assumptions were based on the 8-8½% rates of the late 70's. The current rate of over 12% would cause a formidable payback obligation.

The judgment of consultant Derzon is that at current rates the University would run a very serious danger of having inadequate revenue by 1986-87 to retire the bonds. The University's general funds would be liable for the obligation, and payment from there would be inappropriate. Derzon feels the project can be scaled back to be fiscally more sound.

President Magrath has indicated to the Regents that the University could not take the current risk, and he has recommended a temporary hold on the project. The University will have to redesign the project and explore hypothetically other financial sources of support. The exercise and the delay are painful and frustrating. The Regents have requested the President to report an alternative plan in three to six months. The project must be big and substantial but, the President said, redesigning the project on a somewhat lesser scale is possible although it will not be easy.

Rick Linden asked the source of the money spent so far on the project. The President said it has come from accumulated patient income. There has been no direct draw on University or state funds.

Professor Brasted asked whether Minnesota's lowered credit rating affects the project. President Magrath said the interest rate is higher as a consequence.

Dr. Quie reported that it is the consensus of the clinical chiefs and hospital administrators that there will be a new hospital, and that in the long run the current exercise in prudence will stand us all in good stead. They are frustrated at losing momentum on the project.

2. Current state financial picture and implications for the University.

President Magrath said the University's strictly pro-rated share of the new state shortfall of \$200 million would be over \$14 million. If the current proposed budget bill is enacted, the cost to the University will be about \$600,000.

Vice President Keller said the University already knows what the cutting alternatives are, because of the extensive studies for program prioritizing.

Professor Pratt asked if the administration is considering furloughs for employees as part of a solution. Keller said that while it is a possibility, it seems a complicated solution because of employees paid on government grants and with contractual obligations, for example.

Vice President Keller reported some figures from the Committee on Institutional Cooperation (CIC). He will send Professor Pratt a report on expected tuition increases (6% - 20% range) and faculty salary increases (0 - 6% range) in the Big Ten. Minnesota's tuition will probably be third highest in the Big Ten. Minnesota is the only one to have added a surcharge.

Pratt reported that deans attending CIC-organized meetings got a weaker impression of the success of MSU's buy-out options than faculty representatives had gotten from faculty at the Midwest Faculty Governance Conference. MSU's deans are apparently not well pleased with the effects. Many faculty have reportedly simply moved within MSU and not opted out.

The Education Commission of the States has reported that no state has been harder hit in terms of educational cuts, including higher education, than has Minnesota.

3. General Counsel.

The President reported that Steve Dunham has started work half-time as General Counsel; his new job technically begins April 1. He called it a very good appointment which will save us money in the long run.

President Magrath said he would be happy to meet with the SCC to discuss issues and perceptions on how to use this newly-created office. Vice President Keller said there will be discussion on the extent to which the University should expand its internal staff and the administration will welcome the SCC's thoughts on that question. Professor Spring said such discussions might include consideration of how to relieve the weight upon the Judicial Committee, whose already heavy burden could be increased if we reach a state of financial emergency.

Additional questions.

4. Tuition policy.

The Regents have raised additional issues, including the argument that tuition for some programs should be higher and for some programs lower than the average, based roughly on future earnings expectations.

Tuition at the University and other public institutions now provides an average of 33%-34% of the cost of education as opposed to the 23%-24% share of seven to eight years ago.

Vice President Keller outlined three philosophies on tuition policy:

- a. Gauge tuition to the potential earning power in the goal profession;
- b. Gauge tuition to the cost of providing the education;
- c. Preserve accessibility; students in high-cost programs pay a much smaller percentage of their cost of education.

Students in low-cost programs here do subsidize the students in high-cost programs. Vice President Keller said with regard to adopting next year's tuition schedule, the University is not yet moving toward complying with the policy of a shift to students' paying more in accordance with the cost of their program.

One change for greater equity which computerized registration may make possible is to charge a student tuition according to the college in which the course is taken instead of the student's college of enrollment.

Dave Lenander reported that MSA Forum discussions indicate overwhelming preference for the status quo.

The President said that some of the professional schools from time to time argue for permission to raise their tuition to what the market will bear and be able to keep the difference to improve the school at their own discretion. He said he is basically not in favor of such a scheme.

Professor Swan said the Finance Committee has discussed the designated tuition concept. There is some positive interest if the practice could be controlled to prevent intense competition. SFC members find some value in entrepreneurship within the University. Perhaps one or two units could be permitted to try such a plan and the University could observe the results. Vice President Keller named the Law School as a good candidate for such an experiment. He said central administration would still negotiate the rate within each unit on a year-by-year basis.

There was some discussion of the meaning of "fairness." Professor Eaton called the emphasis on linkage between academic program and monetary return too narrow a construction. Some students may choose to attend the University, aware that they will be paying more than at other public institutions, or proportionally more than some students, for the intangible benefits a major university offers.

Meredith Poppele,
Recorder



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March 12, 1982

President C. Peter Magrath
202 Morrill Hall

Dear Peter:

At our meeting with you on March 18, at 1:30, the Senate Consultative Committee wishes to discuss the following issues:

1. University Hospitals. The decision to postpone and reconsider the scope of the hospitals renewal project, while necessary, must be troubling to many people who believe the expansion and modernization to be essential. The Committee would appreciate your educating us to the most important facts regarding both the cost burdens and the needs of the state for highly specialized medical treatment availability.

2. The current state financial picture and how the latest shortfall is apt to impact on the University.

The Committee would also appreciate being brought up to date on other continuing issues, such as University use of the Metrodome.

Cordially,

Douglas C. Pratt, Chair,
Senate Consultative Committee

DCP:mbp

cc: SCC members