

Minutes*

**Senate Committee on Educational Policy
February 21, 1991**

Present: Thomas Clayton (chair), Martin Conroy Joanne DeMoss, Ken Heller, Karen Karni, Karen Seashore Louis, Marvin Mattson, J. Kim Munholland, Baxter Stephenson

Guest: Senior Vice President Leonard Kuhi

1. Report of the Chair

Professor Clayton commented briefly on a few items, including the implementation of the policy on events during Finals Week. If the policy is to mean anything, there should be few exemptions; if not, there should not have been a policy adopted. There should not be a need for a standing subcommittee; with few requests and little action, perhaps the chair should decide or refer the matter to an appropriate Senate or Assembly Committee.

2. Discussion with Senior Vice President Kuhi

Professor Clayton welcomed Dr. Kuhi to the meeting and began the discussion by inquiring what the University's response would be to the Governor's budget recommendation.

The Governor's Budget Recommendation Dr. Kuhi explained that what the Governor is trying to do is not clear. The numbers in the newspapers do not correspond to the information from the State. The papers have said the University will be cut 2%; of the approximately \$600 million from the State (including tuition), the net cut is \$23.2 million (including the elimination of reciprocity with neighboring states and a \$2 million reduction in equipment funds). For the second year of the biennium the University is being asked to cut \$24.4 million--which will be put into an escrow account, along with the cuts in the other higher education systems. The cut, however, appears to be over 4%. This escrow account would then be reallocated by a blue-ribbon commission, to be appointed by the Governor. It seems doubtful, Dr. Kuhi commented, that the legislature will support this proposal.

The blue-ribbon commission that the President had proposed is very different. President Hasselmo had suggested a powerful group to look at higher education in the State, to make use of the numerous reports which have already been prepared, and to issue strong recommendations (such as close a dozen two-year institutions). It is in the multiplication of campuses that the most inefficient use of State funds occurs.

The Governor also proposed a cap on tuition of 3.7% for the first year of the biennium and about 3.1% in the second year. That limit will not be helpful to the University; there will be about a 1.8% increase due simply to declining enrollment--per agreement with the legislature--and another 1% required to pay for the bonds for new instructional buildings. That totals 2.9% before any inflationary increase--which will result in an additional cut in the budget.

*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.

The strategy for the reallocation proposal remains unchanged, Dr. Kuhi told the Committee; it is on the agenda of the Regents for action at their March meeting. At this point the University is taking the position that it cannot carry out reallocation with a cut in the base budget--so the first priority will be to defend the base. The University will also seek its fair share of any inflationary run-ups in salaries.

Any cuts which must be made will be programmatic, Dr. Kuhi surmised, although he invited the comments of Committee members, noting that there are other ways of reducing the budget. There could be a hiring freeze, which is a fast way to come up with money but it has the drawback of striking at random and playing havoc with planning. Another method would be an across-the-board tax on all units, the endpoint of which would make everyone mediocre. The administration would prefer to take the programmatic approach.

This is only the first salvo, he noted; the legislature has yet to deal with the budget. This is a cut in the base on top of the \$8.8 million cut, which the University will meet from central reserves. In the budgeting process the administration will negotiate with the colleges to try to restore the reserves.

One thing the University does not want to do is repeat the process it went through under former Governor Quie. At that time the University was asked to come up with \$20+ million in cuts; the cuts to be made were identified and "the bloodletting was severe." The final cuts, however, were only about \$3 million. The University will think about the worst case scenario, of course, but will not identify any cuts other than those identified in the reallocation plan.

The scale of the cuts that would be required by the Governor's proposal are hard to envision; for the biennium, he said, they amount to about the equivalent of the CLA budget or 8 Wasecas.

Possible Methods of Making Cuts Responding to Dr. Kuhi's invitation to comment, one Committee member argued against a hiring freeze, because of its randomness--it would be the most destructive approach. The across-the-board cut would also be destructive; even faculty members who like Minnesota would have to seriously consider leaving if their departments faced two years of such cuts. These are exactly the faculty, it was said, whom the University does not want to lose. The only choice is to make programmatic cuts.

Another Committee member agreed strongly, saying that programmatic cuts are the only ones which are not random and which permit the University to make choices.

The problem with programmatic cuts, it was observed by another, is that it is hard to recover large amounts of money immediately; they produce the most sizable savings but are also the most long-term. How would programmatic cuts be made which would produce \$50 million in two years? They would be the most sensible, but how do they match the funding scenario?

Dr. Kuhi agreed, and said that the University would have to rely on attrition and develop programs to encourage early retirements. The tenure system provides no flexibility at all so faculty would have to be encouraged to leave. The P&A employees have notification rights; the civil service staff would be most immediately vulnerable. Cutting those employees, Dr. Kuhi observed, would leave the faculty without support staff. The cuts could not be financed from the reserves, and even if they were the income

from the reserves is used to finance a number of activities, so those, too, would be cut. The reserves could be used to mortgage against department retirements and the funds recovered when the positions become vacant.

Even financial exigency is not a possibility, Dr. Kuhi commented; according to the tenure code, the Regents would have to sell the physical assets of the University before they could declare financial exigency. The faculty, in any event, would be the last individuals to be released.

Some expenditures have been exempted from cuts, such as utilities. Cuts of \$8.9 million have already been proposed for central administration and support services; those units are going to release employees. The University could stop providing set-up funds for new faculty; it could also cut University subsidies to centers and institutes.

During one fiscal crisis in Massachusetts, one Committee member recalled, the institutions closed for six weeks in the winter--the heat was turned off and no one could go into their offices. The faculty continued to be paid (and presumably worked at home) but civil service and professional staff were put on furlough. This is a dramatic option but would demonstrate what needs to be done to produce funds in such a short time. Reducing the heating bill for the University in the winter, with a long break, would probably save a lot of money, however--and it would inconvenience students to the extent that legislators might notice. Dr. Kuhi agreed that this was an option that could be considered, although in that instance it was not fair that the faculty continued to be paid while other staff were not.

One Committee member suggested that vacant positions could revert centrally and then be reallocated to units on the basis of priorities determined in the planning process. There should not, in any event, be sacred cows which are exempt from retrenchment or reallocation.

Dr. Kuhi agreed. What also might be questioned is the amount of money spent per faculty member; is a \$1 million set-up for a scientist worth the money, in comparison with the number of faculty in CLA who could be hired? Most of that money, of course, comes from ICR funds rather than the State--but perhaps the ICR funds should no longer be doled out the way they are now. Then, of course, the faculty who generate that money will leave the University. Or, lacking support, observed another, they will lack the support necessary to permit them to obtain additional research grants.

Reallocation Plans and the College of Education The discussion turned next to the reallocation plan for the College of Education. Dr. Kuhi had been sent a letter by the Committee raising a number of points; the Committee believes that the unit is important and that it is being retrenched but receiving no reallocated funds. Dr. Kuhi said that this is too strong a statement. The reallocation plan is an evolving one and has been speeded up in reaction to the fiscal crisis in the State. It is true that the original plans said nothing about reallocating funds to the College; it is also true that continuing to reduce the four-year licensure programs would lead to reallocation. More detailed plans are to be expected from the College when the budget presentations are made in the Spring.

The intent, as far as Education is concerned, is to support very strongly the goal of improving the quality of teachers who graduate from the College. The best way to accomplish that is to have students take a regular baccalaureate degree and then take a year or more of pedagogical course work. That program itself does not produce resources. There is also a belief that the College is very large, with about

160 faculty; the proposed cut would reduce it to about 140 [135, exactly]. How the College makes those cuts is up to it; the case statement proposes which departments will be reduced. Those projections are not cast in stone, however, and it is to be hoped there will be more internal consultation than there has been to date. The College will remain large, even after reallocation; the long-term goal is a unit that is more focused in its mission and producing the highest quality teachers it can. At present the College produces about 12% of the teachers in the State; there are 27 institutions which graduate teachers and over 400 programs. It is the view of the administration that this 10% reduction is not cutting off the College at its knees.

The reallocation question remains open; the K-12 initiative is being discussed between the deans of Education and Technology. There may be issues of consultation which need to be addressed.

It has been said that the College of Education is an important part of the University; all of us agree with that, Dr. Kuhl said. What its role will be in the Undergraduate Initiative, perhaps in terms of teaching TAs to teach and using the techniques and research on teaching that is carried out, is not clear. There are programs it is now involved in which it should continue, such as the K-12 partnership program; there are also opportunities in math and science education. The intent, in the K-12 initiative, is to put money into the College--because that is where the leadership should come from.

One Committee member pointed out that the actual reduction in the College budget is 12%, not 10%. Part of that amount is an Academic Priorities debt, it was agreed, but it was understood earlier that there was a moratorium on repayment of that debt--and that it might even be forgiven after five years. The main issue of concern, however, has to do with the development of major plans without a reallocation and with an outgoing dean. It may be that funds will be returned to the College, through the system-wide initiatives, but the preparations are not being made in a way that makes the faculty believe there are new visions. The downsizing of the College is not the major issue with the faculty, it was argued, but in the apparent lack of interest in how the College can both look outward as well as articulate its role within the University. Many faculty, for instance, have strong disciplinary training but who feel that their opportunities to contribute to undergraduate education have been overlooked. Rather than bringing the College in, unfortunately, it is being isolated.

Dr. Kuhl said he agreed with these points. As more of the details about what will happen unfold, he commented, more of the faculty should be involved. He also observed that part of the Undergraduate Initiative involves improving the quality of teaching and services to the students; the College of Education should take part in those changes. Individual faculty members are now involved, to be sure, but there is a body of expertise in the College which should collectively be made use of by the rest of the University. That is not being done. He agreed with an observation that barriers may exist; those should be broken down, he said. The development of a new vision of what the College should be is an exciting prospect.

A new dean, it was said, will need both monetary as well as policy latitude; why, otherwise, would someone take the job? One big fear is that the College will be unable to recruit a good dean because of what is happening. Dr. Kuhl agreed that at first blush the College may not appear to be a good opportunity, but there is a challenge for the right individual to lead the College.

The issue, it was rejoined, is that other units are being offered the opportunity to design plans and

retrieve some of the reallocation money to do new and wonderful things. The College has been excluded from those opportunities, with the possible exception of the K-12 initiative. One option would be to define the K-12 initiative better, so the College might feel some ownership in it; another possibility would be to say that there is a role for the College in the Undergraduate Initiative. Dr. Kuhl said he would be willing to do both and repeated that nothing is written in stone.

Another view, said one Committee member, is that of a "user" of the College, such as of a department seeking to redesign large undergraduate courses. There are a lot of talented people in the College who work with the departments, but they also have a lot of obvious needs which are not being addressed. In the case of science education, for instance, it is clear that the College is trying to do something to address a serious problem in the State. The College is working with the State Universities to improve teacher education in those units which produce teachers--that is the model. There is, however, no support for that activity in the reallocation plan. Further, the College's physical plant "is a disgrace"; most high schools in the State have far better equipment than the College which is supposed to be training the teachers.

Dr. Kuhl said he has had the same experience with the Technical Colleges; their equipment is significantly better than that of the University.

There are high priority needs in the College, it was said, for the education of science undergraduates at the University. Reallocation could help meet these needs, but there is no evidence that they will be. Science and math education departments, it was also observed, is in better shape than most other departments because they can obtain NSF funding.

Dr. Kuhl inquired if the science-teaching faculty in the College of Education makes use of equipment in the sciences as well as in their own units. They mostly use their own equipment, he was told, in large part because the equipment in the science departments is not suitable for what College of Education faculty do. They do, however, borrow things occasionally. There is interaction between the two faculties, but there is a general lack of resources (including faculty) to do all the things the Education faculty need to do.

The College, Dr. Kuhl observed, is in one way facing the same questions as the University: It cannot do everything for everybody so must pick those things it can do best. Except, as has been pointed out, the percentage of costs in Education in personnel are higher than for most units, so the cut can only be taken through retirements. The College would be able to deal with reallocation, and move forward in other areas, if it knew it had some personnel tools to make the adjustments within a time period that did not decimate the better programs and would cut more heavily into the weaker programs. That does not now appear to be the case. But it should be understood that the faculty in the College of Education is eager to work on the process.

The Committee discussed briefly the employment status and opportunities for teachers in the State; the point was made that many individuals trained as teachers choose not to go into teaching.

What appears to be happening at the University, especially with the Governor's budget proposal, is that all one can do is run in place until one falls down. One reason is that the University is subject to so many constraints, and is held in such relatively low esteem compared to 30 years ago; it is now difficult

to get anything done without outside assistance--that is not forthcoming--so the University must now rely on its own internal resources. There are things that can be done, but financial problems preclude many of the most desirable. The Committee has supported reallocation, and continues to do so, but when the plan is so decentralized, it is doubtful whether what gets done at the unit level will in every case be what needs doing.

There are other problems at the University. In the case of the College of Education, the emphasis is on lean and mean and the provision of post-baccalaureate teacher training. Some students do not want to go through the additional training so will go elsewhere to obtain their credential, more quickly. This impact should be considered as the College changes its training.

Academic Standards Another difficulty is that while people talk about programmatic differentiation in the research university, no one talks about academic standards. This is a major problem; the University needs to be a leader in the State and there are only a few ways it can be. Research is one area; academic standards, and being first rate across the board, are others.

Dr. Kuhl concurred with the latter point; he said that he had been struck by the lack of standards at the University, such as for admission. Even those standards are "seat time" rather than performance. The interpretation of the University's land-grant mission has been to provide access to anyone who wishes to attend, irrespective of whether or not they are prepared to do university-level work. That philosophy made sense when the University was the only institution in the State; now, with the other systems, there is access to higher education all over the State. The question of access should not be an issue; the students who should come to the University are those who can benefit most from the kind of education it can deliver--one closely linked to the research effort. To do that requires performance standards.

Adoption of performance standards must take into account what students start with as well as what they end with. The University must stimulate the development of intellect. Dr. Kuhl again concurred, but pointed out that providing remedial education at the University is the most expensive way that education can be delivered. The University should not be in that business. It is not fair to the students, because they enter with the expectation that since they have been admitted they can make it; once here, they find out that they cannot because their preparation is not appropriate and they then flunk out or leave. That is a terrible way for students to start their higher education. They should go to a community college to start their education and then transfer later.

Another Committee member observed that the whole idea of access should be to graduation; the University is clearly not providing that access when its graduation rates are so low. Dr. Kuhl agreed; the fastest way to improve graduation rates, he observed, is to establish performance standards.

Is there any plan to establish such standards, Dr. Kuhl was asked. Many universities, it was pointed out, have tests in math and English that students must take. Dr. Kuhl said another way to approach the issue is to look at high school performance, although the low high school graduation requirements in Minnesota weaken that standard. It was noted that the Task Force on Liberal Education has, in a couple of areas, called for proficiency testing on admission and referral to the appropriate level of course work. There remains the problem of offering remedial work, but that would be better than simply thrusting students into courses for which they are not prepared. The high school GPA also provides at least some indication of the level of subject mastery, Dr. Kuhl added. The bottom line, he

commented, should be quality.

One of the student members of the Committee commented, vis-a-vis standards, that the reputation and attractiveness of the University would be considerably increased if its standards were higher. For many students at [one wealthy suburban] high school, those who did very well went to other schools because they held the view that "anyone can get into the University of Minnesota." Outsiders also see the University as "a mess, that you're just a number." If standards were raised, people would realize this institution is well organized and that students can get a degree in four years if they want to, "a place where you can get your education rather than just open the book every once in a while." Dr. Kuhi concurred and said he has received the same impression from the community; one can "apply to the Stanfords and Harvards but if you don't get in, well, you can always go to the U." That is wrong; this should be the flagship of the State.

Tuition Another student member took issue with Dr. Kuhi's comment about the proposed tuition caps "not being very helpful." Students, it was argued, have been upset for the past several years with the tuition increases inherent in Commitment to Focus. The students have been told, time and again, that the hands of the administration and Regents are tied by the legislative funding formula. This year, when the Governor initially proposed a tuition increase of 50%, the students decided to go to the capitol. Dr. Kuhi observed that the administration had expressed adamant opposition to such increases. It seems to be the view of the Governor, it was continued, that there are two ways to hit the University: hit the students on tuition to generate revenue, to cover the State's budgetary problems; or the University can be hit on its base budget. While supporting reallocation, this Committee member said, the proposal to put the burden on students is totally unacceptable. Students are not willing to pay for this "cheap school." One can get a very good education at the University, but the institution does not present its public image in the way it should. This should be an institution which students can afford to attend.

It seems unlikely that the legislature is going to accept the Governor's budget for the University, it was further said. One legislator was asked if the agreement, under Commitment to Focus, to maintain the University's budget base was predicated on whether or not the University observed the enrollment caps--and would not the legislature therefore see the Governor's proposal as a violation of that agreement? This legislator agreed that it would. The University should not toss out its reallocation plan and disrupt its planning because of a Governor's recommendation that will likely not be supported.

Dr. Kuhi again concurred, and made the point that the reallocation plan will not be abandoned. The University vigorously opposed the 50% tuition increase because it would put on the backs of the students the State's financial problems. The increase in tuition, he noted, would have gone right through the University into the State's coffers; there would have been no direct benefit to students.

Dr. Kuhi told the Committee he has heard similar responses from legislators about the Governor's budget. One view is that the legislature will take the proposal apart. Another view, as reported in the newspapers, is that they may pass it as is--as the fastest way to get rid of the Governor. The University is not, in any event, changing its strategy. The agreement with the legislature has one more year to run and the University will stick to its part of the bargain.

It is not just the base versus student tuition; State employees will be required to make additional contributions to their pension funds. Does this affect the University, Dr. Kuhi was asked. He said that it

probably does not affect the faculty.

3. Discussion of the Draft Report of the Task Force on Liberal Education

The Committee held a brief informal discussion with Dr. Kuhl about the report of the Task Force.

The Committee adjourned at 3:10.

-- Gary Engstrand

University of Minnesota