

**Senate Committee on Finance and Planning (SCFP)**  
**November 15, 2016**  
**Minutes of the Meeting**

*These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the senate, the administration, or the Board of Regents.*

[**In these minutes:** University Progress Card Update; Job Family Study and ESUP Updates; Athletes Village Update]

**PRESENT:** Dan Feeney (chair), Daniel Lockgren, Tracy Peters, Michael Berthelsen, Lincoln Kallsen, Jill Merriam, Paul Olin, Michael Volna, Robert Goldstein, Jennifer Gunn, Michael Korth, Karen Seashore, Erik van Kuijk, Danny Bernick, Mark Kanake, Catherine Fitch

**REGRETS:** Fred Morrison, Aravind Boddupalli, Sandra Pothoff, Carl Rosen

**ABSENT:** David Fisher, Julie Tonneson, Karen Ho, Varun Sood, Laura Kalambokidis

**GUESTS:** Lincoln Kallsen, director of institutional analysis, Office of Budget and Finance; Kathy Brown, vice president, Office of Human Resources; Mark Coyle, director, Department of Intercollegiate Athletics; Rick Johnson, director of special capital projects, University Services; Suzanne Smith, assistant vice president, Capital Planning and Project Management

**OTHERS:** Vickie Courtney, director, University Senate Office; Rhonda McFarland, deputy athletics director and chief financial officer, Department of Athletics; Scott Ellison, operations manager, Department of Intercollegiate Athletics; George Brown, assistant vice provost, University Recreation and Wellness; Jake Ricker, associate athletic communications director, Department of Athletics

Chair Dan Feeney welcomed the committee and members introduced themselves.

**1. University Progress Card update** – Chair Feeney introduced Lincoln Kallsen, director of institutional analysis, Office of Budget and Finance, to give an update on the University Progress Card. Kallsen began by providing an overview of the creation and implementation of the University Progress Card. In May 2015, the Board of Regents requested specific measures and data points be consolidated into a document which could be easily read, understood, and monitored on a regular basis; this document was adopted in October 2015, and is now called the University Progress Card. The University Progress Card focuses oversight on a limited number of measurable goals and trends that indicate or drive excellence, which provides a roadmap for the future, Kallsen said. The Board of Regents receive annual updates on the data tracked in the University Progress Card, and the board often references the data during their meetings (how changing certain items will affect other areas, etc.), which informs and helps align operational metrics and strategic plan implementation. The president presented the first annual update of the University Progress Card to the board in July 2016.

Kallsen explained the difference between “gold measures” and “maroon measures” found on the progress card. “Gold measures” are taken from well understood and agreed upon data measures, and have reasonable historical data and accuracy; a quantifiable goal is able to be set for 2021, and the University can take action to influence the outcomes of specific data points. “Maroon measures” are directional goals which are subject to change; this data may only need to be monitored, developed, added to, or deleted, and University action alone does not significantly influence the data markers.

Kallsen walked the committee through several data points measured on the University Progress Card, including:

- Four-year graduation rates of Pell-eligible students (by entering year)
  - Measures how well the University is serving this subsection of students who may need more assistance
- Financial Accessibility
  - Measures median undergraduate debt at graduation, system-wide
- Serving Minnesota students
  - Measures both the percentage of incoming new (and all currently enrolled undergraduate) students who are Minnesota high school graduates) and the percentage of Minnesota high school graduates that elect to attend college in Minnesota and enroll at the University of Minnesota as freshmen
- Graduate Education
  - Measures graduate and professional degrees awarded
- Undergraduate education
  - Measures Twin Cities transfer student three-year graduation rate
- Inclusive Success
  - Measures students of color with a favorable sense of belonging on campus
- Athletics
  - Measures the graduation success rate (GSR) for students involved in athletics
- Medical School ranking (Twin Cities and Duluth)
  - Measures determined by NIH funding in the Medical School
- Operational excellence
  - Measures the percentage of spending on leadership and oversight versus mission and mission support, facilities in poor or critical condition, metric tons of greenhouse gasses (related to sustainability), and the University’s credit rating

Kallsen said that two areas that have been difficult to measure are system-wide graduate education data (since graduate programs are managed at the department level), and assessment of enrollment: does the University have optimal enrollment in highly-desired specialties? Kallsen concluded his presentation by noting that in looking at trends, measures on the University Progress Card are on the whole directionally positive, though some must move faster to meet goals by 2021.

Jennifer Gunn asked Kallsen to clarify how the University Land Grant Mission is defined. Kallsen replied that for the purposes of the University Progress Card, public service expenditures

are the measure (including clinical costs). This likely needs to be expanded upon to better measure this area, but the information will need to remain streamlined for the regents.

Karen Seashore asked to what degree the Board of Regents agreed with the mix of realistic versus aspirational goals, and if the Office of Budget and Finance seeks to understand nuance in these measures to determine why data is moving in a specific direction. Kallsen replied that the president has worked very hard to make sure the regents understand the difference in the aspirational versus realistic measures; for example, the Medical School ranking goals, which are highly aspirational. Kallsen added that Budget and Finance does seek to understand nuance in this data.

Robert Goldstein asked if employment information should be included in the field data. Kallsen responded that this is a very difficult measure to track; some departments may keep records of employment information for graduates from their programs, and others may not. The difficulty lies in aggregating the data to be system-wide. Kallsen added that the State of Minnesota does track employment data, which is informative, but not specific to the University of Minnesota.

Catherine Fitch asked Kallsen to explain the SERU survey, used to determine the inclusive success measure. Kallsen responded that SERU stands for “Student Experience at Research Universities.” The University is a member of a national consortium, of which the University of Minnesota is the home base. Bob McMaster, vice provost and dean of undergraduate education, is in charge of the SERU survey. SERU is in its twelfth year, and it is sent out as a census survey on our campus annually; participation rates have been above 40%.

Feeney asked how the University might better balance capacity; for example, increasing enrollment to increase revenue. Would this have an effect on any of the markers in the University Progress Card? Kallsen replied that currently, retention rates between years one and two, graduation rates, and post-graduate outcomes are receiving a lot of focus. The issue of capacity is one that is being discussed, but there is a lot of nuance to this issue. Michael Volna added that the Board of Regents have discussed ACT scores and undergraduate tuition at length; they will soon be focusing more closely on admissions standards.

Daniel Lockgren asked how the University of Minnesota compared to the MNSCU system in these data measures. Kallsen replied that the University has a very different set of students than those enrolled in MNSCU; graduation rates, for example, are much higher at the University.

**2. Job Family Study and ESUP updates** – Chair Feeney introduced Kathy Brown, vice president, Office of Human Resources (OHR), to give updates on the Job Family Study and the ESUP upgrade. Brown began by providing an overview of the Job Family Study. Over the past three years, Academic and Professional (P&A) and Civil Service staff went through a comprehensive review to determine appropriate classification and salary ranges. OHR is currently working to refine their market analysis (for example, delineating between investment services versus general accounting), and completing the study for outliers who have not gone through the process; this will be finished by the first of the year. The purpose of these assessments is to provide managers tools to properly classify employees and set their salaries in a way that is market competitive and equitable.

Brown then provided an update on the ESUP upgrade. Eighteen months have passed since “Go Live.” The office recently participated in an audit, and is in the process of implementing several recommendations. The end goal of these efforts is to perform consistent data entry, resulting in better quality data in the system.

Feeney asked Brown to discuss grievances in the Job Family Study, and specifically if there were any unresolved complaints, salary cap issues, or if employees left or changed positions based on the results of the study. Brown replied that she was not aware of any employees leaving based on their results in the job family study, and no one’s pay had been cut as a result of the study. In fact, Brown said, some employees have seen their salaries increase in order to make the base pay rate in their new classification. Brown added that appeals are managed by appeals committees with members who are knowledgeable about the job family work and the individual employee’s work; these appeals are all now resolved, decisions were consistent, and some changes were made based on the appeals.

Seashore asked if the faculty unionization vote would affect the Job Family Study. Brown responded that it depends on who is in the final bargaining unit if unionization is successful; if the four P&A classifications are included with the faculty, they would have collective bargaining, and no longer be addressed in the job families.

Tracy Peters asked if OHR was still using consultants for the Job Family Study. Brown replied that no, consultants were no longer being used and have not been used for about eighteen months, as staff were trained by the consultants and are able to offer a consistent process. Peters said that she was aware that Employee Compensation experienced a lot of turnover during this process, and that she has noticed consistency issues. Brown replied that Employee Compensation is now fully staffed with strong skill sets, so the results may be more accurate and refined in terms of process and criteria.

Seashore asked how competitive the University was in attracting top talent to hire. Brown responded that the University is doing well in the market, save for in the areas of information technology and finance, as these are highly competitive industries. Hire salaries in these areas can create salary compression, which is a concern, Brown said.

**3. Athletes Village update** - Chair Feeney introduced Mark Coyle, director, Department of Intercollegiate Athletics, to provide an update on funding and construction for Athletes Village. Coyle provided the committee with an overview of the purpose of the Athletes Village project, and the “Nothing Short of Greatness” campaign. Athletes Village will affect all 26 programs at the University; currently the NCA is talking a lot about the student athlete experience, and this project will help the University in recruiting top talent, and offer a space and resources to teach student athletes life skills. Currently, Coyle said, the University is the highest-ranked institution in terms of the student athlete graduation rate.

Feeney asked where Intercollegiate Athletics was in terms of progress toward their fundraising goal for the project. Coyle responded that they have raised \$94 million in private funds toward a total cost of \$190 million for the campaign (with Athletes Village costing \$166 million). Volna added that Intercollegiate Athletics’ debt plan was presented to the Board of Regents, outlining

an estimated \$80 million in debt, which includes principal, interest, and amortization over 25 years. If the fundraising is higher than estimated, it will reduce this debt burden to the department.

Goldstein asked about revenue from football games, and how this project would affect those numbers. Volna said that there are some challenges with debt for the department; in the three to five year forecast, there are athletics program investments that need to be paid. Big 10 revenue is also a factor, Volna added, so this is difficult to assess. Debt is covered by self-funded units out of their operating costs; the current annual operating costs for athletics are \$107 million.

Feeney asked Volna to explain short-term versus long-term debt for this project. Volna replied that for projects such as Athletes Village, cash gifts are preferred, but gifts from donors coming in take many forms (homes, etc.). Coyle and his team look at the total amount donated, but University Finance looks at money received in time for construction. Short-term bridge financing may be available for some types of projects, Volna added.

Seashore asked Coyle to discuss possible Title IX implications, since the benefit of a project like this may be primarily to men's sports. Coyle responded that the benefit will be to all programs, including women's sports, and Olympic sports will gain a new facility.

Paul Olin asked about the impact on intramural sports. George Brown, assistant vice provost, University Recreation and Wellness, responded that it is difficult to say, since intramurals are managed by Rec Sports. Brown added that there would be a significant benefit to the entire student body, with less competition for space.

Seashore asked what metrics were being used to track the funds used and their direct impact on and benefit to students. Brown responded that Recreation and Wellness serves over 70% of the student body. Coyle added that Athletes Village will provide more room for academic advising, and provide access to nutritional meals and education. Seashore said that metrics used will be important in order to show the University community how this project benefits students over time.

Daniel Lockgren asked if this facility would be available to rent to outside groups, resulting in increased revenue. Brown responded that yes, these spaces will be made available for rental after practice schedules are published, and that there will be more prime-time rental opportunities with the new facility.

Peters asked if revenue from the Super Bowl will go towards the "Nothing Short of Greatness" campaign. Brown replied that this money will go towards the bottom line, and not towards recurring costs.

Olin asked what the timeline was for completion of the Athletes Village facility. Rick Johnson, director of special capital projects, University Services, responded that construction will be completed in stages, with the indoor practice facility completed by November 2017 and the remaining two buildings completed by January 2018.

Feeney asked Coyle to provide an overview of Big 10 revenues. Coyle replied that the Big 10 are currently finalizing their agreement, and that the University feels comfortable that revenues will increase. Fundraising and budget management are very important in this area, Coyle added.

Feeney asked if there would be any impact to the institution relating to debt capacity. Volna replied that there are two ways this is assessed. Rating agencies assess how much capacity for more debt the institution has when issuing debt; the University passes this measure quite comfortably. Second, internally, University Finance looks at a program's debt and at long-term leases paid by the program before issuing debt; in this area, Intercollegiate Athletics is working closely with the Office of Budget and Finance to manage.

Gunn asked Coyle to speak on the issue of traumatic brain injuries and the impact on college athletics. Coyle replied that there are currently seven pending lawsuits in the Big 10 relating to concussions and other traumatic brain injuries; it's currently on the minds of all in the Big 10, and institutions are looking at issues of safety. Fitch asked Coyle to speak on the issue of student athlete compensation. Coyle replied that in major lawsuits in this area, rulings have been in favor of the institution thus far. Long-term television contracts also provide some security in this area, Coyle said.

Hearing no further business, the meeting was adjourned.

Barbara Irish  
University Senate Office