

## Minutes\*

### **Faculty Consultative Committee Fall Retreat Wednesday-Thursday, September 1-2, 2004 Humanities Education Center, St. Paul**

- Present: Marvin Marshak (chair), Gary Balas, Jean Bauer, Susan Brorson, Charles Campbell, Carol Chomsky, Tom Clayton, Dan Feeney, Emily Hoover, Mary Jo Kane, Morris Kleiner, Scott Lanyon, Judith Martin, Fred Morrison, Jeff Ratliff-Crain, Martin Sampson, John Sullivan, Carol Wells
- Absent: Gary Davis, Kathleen Krichbaum
- Guests: Susan Heegard (Office of the Governor); Vice President Richard Pfitzenreuter (Budget and Finance); Art Rolnick (Federal Reserve Bank of Minneapolis); Wayne Sigler (Director of Admissions, Twin Cities campus); Vice Provost Craig Swan (Academic Affairs)
- Other: Kathryn Stuckert (Office of the Chief of Staff)

[In these minutes: (1) opening discussion (budget and planning, issues, graduation rates); (2) discussion with Federal Reserve Bank Vice President Art Rolnick (role of the University in the economy, effect of education on the economy, related issues); (3) admissions, retention, and graduation issues; (4) rankings and related issues (connected to the previous discussion); (5) discussion with Susan Heegard, Office of the Governor; (6) conflict resolution mechanisms; (7) more on graduation and retention rates]

#### **1. Opening Discussion**

Professor Marshak welcomed everyone to the retreat at 1:00 on September 1 and reviewed the items that would be taken up; he and other Committee members made a number of comments:

- He expressed enthusiasm about the strategic planning effort and conviction that the process needed to result in substantial decisions.
- He expressed concern about the University's graduation rates and their effect on the assessment and rankings of the University. He pointed to research that suggests graduation rates affect the amount of tuition the University can charge. He believes progress on student success may require changing the characteristics of students the University admits, as well as the college structure of the Twin Cities campus.
- The Committee needs to brainstorm on the issues it wants to tackle this year. One item might be the legislative request; another might be faculty workloads, which has increased with recent budget cuts, leading to possible quality issues. Professor Kane noted the Provost's letter and his

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\* 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 represents the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

statement that there would be restructuring; salaries and workload are embedded in such changes. This Committee must weigh in on those issues, she said.

-- How will the budget model change be implemented, Professor Wells inquired? Professor Feeney said he believed there would be consultation on it.

## **2. Discussion with Minneapolis Federal Reserve Bank Vice President Art Rolnick**

Professor Marshak welcomed Federal Reserve Bank Vice President Art Rolnick to the meeting and began by explaining that the University has been forced into a strategic planning process because it has seen a dramatic reduction in state funds. The Committee would like his outside perspective and insights about how the University should evolve.

Dr. Rolnick provided an overview of his background, noting that he has been in Minneapolis since 1967 and leads a research department at the Federal Reserve Bank that relies on a critical connection to the University. He cautioned that he should perhaps not be seen as that much of an outsider but said he would comment on what the University should be based on the research they have done at the Bank and on a paper he recently co-authored on the University as a public good.

The Bank conducted some very revealing research about the Minnesota economy and business cycles (the state tracks the nation) and also research on the Minnesota economy back to the 1920s. Minnesota has one of the best economies in the world; it ranks seventh among the states. It was, however, way below the national average in the 1920s and through the 1950s; after that it started outperforming the U.S. economy. The state produces now about \$200 billion in goods and services.

They gathered data on the quality of the workforce in the state, which means education. In the 1920s it was well below the national average, and it was that way up to about 1957. After that, Minnesota did a much better job at getting students through school and it now has one of the best-educated workforces in the country. His argument is that this relationship between the quality of the workforce and the economy is causal, not correlational.

About 20-25 years ago, the educational premium for a college degree over a high school degree was about 40%; now it is about 80% and growing. The market is clear: it is willing to pay educated workers. Dr. Rolnick said he believes that the better the job done on training and educating people, the better the state's economy will be. This matters much more than where corporate headquarters are located. If one looks around the world, the key ingredient to a booming economy is the quality of the human capital. The IMF is rethinking sending physical capital to nations and instead sending teachers. Economies grow with increased human capital.

The University of Minnesota played a leading role in human capital development in the state. What should the University do? Produce high-quality students and research. One can argue about the balance between those two, Dr. Rolnick said, but they are key. The University should be very careful about turning into something else (e.g., some want it to do much more business consulting).

Professor Kane noted that in historical rankings of universities, the University of Minnesota ranked higher in the 1950s than it does now; the ability to generate human capital was stronger then than it is now. That may not bode well for the University as the engine of innovation vis-à-vis other states. If

the University was good, other states have gotten slightly better, Dr. Rolnick said, but one must look at the absolute numbers, not just rankings. He agreed, however, that the University can lose students because of a change in its reputation. To date, however, however, the changes appear not to have mattered very much.

Professor Balas inquired about investing in specific initiatives at the micro level. Professor Kleiner related that there have been two models the University has used. One, a la Commitment to Focus, have a smaller number of units that are of high quality; the other has been to let in a lot of students in order to generate revenues and build up high quality graduate departments. Dr. Rolnick said he would take a middle position. With respect to investing at the micro level, Dr. Rolnick said, the University should focus on high-quality superstars (he has Nobel laureates working at the Bank) but it should not micro-manage the faculty. With superstars the University will attract visitors from all over the world and recruit the best graduate students. The University should focus its dollars to hire high-end faculty, which leads to a lot of spillover in terms of hiring other good faculty and recruiting good students. This cannot be done in every department, but some can do it. The University should identify departments that have a chance to get high-level people. That is one way to approach the question, Dr. Rolnick said; the University must decide how good it wants to be, but if it follows that path, it will find that recruiting and retaining junior faculty and students will be easier. If all institutions followed the same strategy, of course, it would be a zero-sum game, but the University of Minnesota does have some comparative advantages.

Professor Balas next asked if there have been any studies done that would demonstrate that the University's investments in academic fields such as computer science and digital technology have led to growth in industry in the local area. Dr. Rolnick said he was skeptical that any such thing happened. It is very difficult to outguess the market. He said he would put money in "real smart people" and not worry about commercialization of research. Let great minds do basic research, he said. He maintained that universities should not go after "hot" areas, such as biotechnology; he said universities should not get too close to industry. They should fund great minds. It is easy to get seduced by commercial interests, especially because there is money in some of them; he has seen economics departments do a lot of consulting—and the result is that research decreases significantly. The strategy should be to get the best faculty and students.

Professor Lanyon pointed out that Dr. Rolnick had talked about research and about education of the workforce but that he had not put them together. Dr. Lanyon said that in his view the two are inseparable: to have the ability to offer a great education, there must be great research. Dr. Rolnick said he was ambivalent about the point. Undergraduates do get exposed to great researchers but he said he did not know the effect. He said he came to the University because of the presence of Walter Heller and Leonid Hurwitz, so he knows that research and teaching go together; people doing great research attract great students. On the other hand, Carleton does not do a lot of research but also attracts great students. The University has, however, shown that they can be linked and has created a great economy in the process. His worry, Dr. Rolnick said, is that the commitment to great research and great education may be lessened.

Professor Feeney asked, about the human capital issue, whether there is a difference between undergraduate education on the one hand and graduate/professional education on the other in terms of attracting people to Minnesota and retaining them in the state. If undergraduate education is important in this regard, students can get an undergraduate education at other institutions in Minnesota; is there

something different about the education at the University that it can market? If it is graduate/professional education, the University is the only institution that offers the programs in the state. If funds are tight, and there is talk about focus, how does one not talk about MNSCU is doing? The market has indicated it is willing to pay more for advanced degrees, Dr. Rolnick said, and the state is more likely to see economic growth as a result of advanced degrees. For some students, two years of college is fine; for others, they will become doctors and lawyers. The market is clear: as time passes, knowledge-based economies are taking off (manufacturing is going to Asia); to the extent that the state can get more kids more schooling, the better off we will be. A liberal arts education provides a love for learning; a good liberal arts college will excite kids and they'll want to go on to learn for a lifetime. That should be the mission of the University in undergraduate education; if it steers away from that, it steers away from its core.

There are two different models of a good department, Professor Kleiner suggested. One is where the senior faculty do research but little teaching. The other good department has senior faculty engaged with undergraduates. Can one have a top-rated university without a very good undergraduate program? Universities ranked more highly than Minnesota do have good programs (e.g., Berkeley and Michigan). What are the implications for following one model over the other for the undergraduate program? Dr. Rolnick said he was in the middle. He said he would identify the best teachers and put them in class. But not all faculty are good at teaching; the approach need not be either/or. One can expose undergraduates to high-quality researchers and what they are doing—and provide a research environment so that faculty can continue their work. If there is to be a commitment to a strong undergraduate program, the star faculty must be involved.

Most would agree that the University should draw smart people, Professor Martin observed. The University has lots of them now, but the state funding is declining. The problem is how to articulate the value of a research university in a way that has power in a current environment that is more instrumental and less focused on generating good things for the people at large. There are a lot of good people at the University, Dr. Rolnick agreed, but it has not done a good job of marketing. It takes a thoughtful approach about how to market its product so the message reaches the policy-makers. The University has done OK in this respect, but it is hard to believe what has happened with the funding. He would bring in people with a good sense of marketing and a good sense of the University. Does a marketing plan make a difference, Professor Martin asked? It could, Dr. Rolnick replied. The University could look at the best practices at other institutions; he is not an expert on this, he commented. He said he believed that some legislators understand the importance of the University. But the University should be building constituents in St. Paul and in the business community so that a new political leadership cannot undo what has been done in the past. And it is important to explain the number of wonderful students the University has, the number of students who work in Minnesota, the value of the education, and that good economies will depend on human capital. *Prima facie*, he concluded, the University has not done a good job.

Following discussion of the political situation in the state, Dr. Rolnick said that it will take work for the University to get its message across. But the CEOs in the state understand his points, he said, and the University needs to build the strongest case it can with business and political leaders.

If Minnesota has been so successful economically, Professor Marshak asked, why does it need to change strategy? The University lost 15% of its state support in the last biennium and it could lose more in the next biennium. It must do something NOW to change the University in response to these circumstances. Dr. Rolnick said that John Gunyou has made it clear the state has not solved its budget

problem and is facing another large deficit. It would be wise to plan accordingly, he agreed. What can the University do about it? It can raise tuition and cut programs. What principle should inform the cuts, Professor Marshak inquired? If the University were a business, it would look at the successful and the weak programs and fund them accordingly. The University cannot be all things to all people and should revisit the ideas proposed by President Ken Keller. The University should not cut out bone, he said; there are core departments and people the University cannot lose.

Professor Campbell, alluding to Dr. Rolnick's mention of the education premium and tuition levels, said that unlike in the past, education is now being seen as a private good, which erodes legislative willingness to provide state funds. Dr. Rolnick said that one can read about the cost of sending a student to a private university and realize that the University of Minnesota is still a good bargain. And the private value of education has gone way up. He said he has no problem with higher tuition as long as lower-income families are covered and there is a lot of money available to be borrowed. At the same time, he said he would push hard on the "publicness" of the University because ALL benefit from the research and the other people the University attracts to the state. The University should not give up on its public nature but it can also increase tuition; the question on tuition is the amount. If a student is spending \$8000 on tuition and living at home, he or she is getting a great deal.

Professor Wells expressed strong support for the notion that basic research belongs in universities because industry will not do it. What she sees in this country, and around the world, is a declining emphasis on funding for higher education; in order to survive, institutions are forced to look at alternative mechanisms of raising revenues, such as raising tuition and emphasizing applied research. The problem is that society will not immediately see the impact of this change because it takes basic research 10-15 years to get into society. She said she is afraid the University is losing what made it great.

That is part of marketing, Dr. Rolnick said: emphasizing how critical the "publicness" of the University is and the importance of basic research and high quality, educated students. The University must avoid "privateness" because "publicness" is its core. No one else will do basic research, he agreed, because no one knows what it might lead to in 20 or 30 years. The University must educate legislators that the core of the University is critical to society. It is tough to market, he agreed, but said that he spends a lot of time marketing research done at the Federal Reserve Bank. They put out a magazine; he hires business journalists to write up the research, which is part of the campaign on behalf of research. The University does some of that.

Is there a possibility that the University can avoid another 5-10% cut in state funding, Professor Wells asked? Dr. Rolnick said he did not know.

Any campaign should build on the University's strengths and feature strong people, on a regular basis, Dr. Rolnick said. He does not see the University doing that. The University has a program in China that attracts the top business people from all over China. It is the most prestigious business program in China, run by the Carlson School at the University of Minnesota. Has anyone heard of it? Visits by politicians to China have little if any economic impact; the ties that the program in China builds with students have tremendous potential for the state. Professor Balas concluded that Dr. Rolnick's point is that if the University does not do its work, it loses its base of support, so it must educate the public. It has not done the job, he said. The University is absent from the newspapers except for athletics, Professor Hoover said; why does it not get journalists to the campuses?

Professor Marshak observed that the vice presidents for University Relations over the last few decades have not been selected because of strong backgrounds in public relations or marketing.

Professor Feeney argued that Nobel laureates would not appeal to the public. Does the University want to preach to the choir or to people who don't care? What the University has tried does not work. What should it do so the University is seen as relevant, he asked? How can it communicate the ideas about the state economy being on top because of the University? The faculty were successful in the tenure debate, Professor Campbell recalled, in part because faculty got articles in the newspapers; that, in part, led to some of the best funding the University had seen. That is because people did their homework.

What do CEOs want, Professor Marshak asked? They are all over the political continuum but they wield a lot of power, Dr. Rolnick said. The Minnesota Business Partnership wields a lot of power and its members want an educated workforce and a good place to live; that is a group to work with, he said. Workforce development is a big issue; the University could talk to them about what it is doing that is right and wrong. Professor Marshak said the Committee would invite the Executive Director of the Minnesota Business Partnership to meet with it.

Professor Kane urged that the Committee also communicate with Vice President O'Brien, who is chairing the search committee to fill the position of Vice President for University Relations. The vacancy is an opportunity to really change University Relations, to take it to the next professional level, to help get the message out. Professor Clayton commented that the University must appeal to growing power sources—business, but also Latinos and the Hmong, and to people who do not care, as well as rich allies of the party currently in power. The University must bring its public relations effort to a level it has never had before.

Professor Bauer said the group has talked about economic drivers. She has been in discussions about the quality of life and has been told one cannot talk about that with respect to the University. Must one only talk about business, she asked? One can talk about both, Dr. Rolnick said. It is clear that a better-educated workforce will demand better amenities; he said he would not separate the two even though one is easier to quantify. The Twin Cities will see an increase in population of about one million by 2020; why do you think they will come here, he asked? Another way to approach this issue would be to ask what the Twin Cities would look like without the University of Minnesota. One can tick off culture, opportunities—and medical alley would not exist.

What is needed is culturally anathema in Minnesota, Professor Martin said; the University has to brag and toot its own horn. It can take the high road, Dr. Rolnick commented. It can identify successful people who were successful because of their association with the University, Professor Martin said—people such as Governor Pawlenty, Dr. Rolnick, and the people at this meeting. For many people the quality of life is deepened and enriched by the University. Many of the things people do in Minnesota (e.g., go to the lake), things that blue-collar workers do, are related to what the University does. There are simple stories that are not told.

It is not just a question of saying the University is terrific and has done a lot of things, Professor Chomsky said. It is fighting for funding in an environment where if it gets more, other programs get less. The University must understand the climate. Dr. Rolnick agreed and pointed to the example of early childhood education, where there have been successful efforts to raise outside support that can be leveraged with state funds. If the University could get the business community to give dollars contingent

on legislative support, that might be one way to increase funding. He said he did not accept the proposition that this is a zero-sum game.

What are the implications for the quality of life in the state without a top-ranked university, Professor Kleiner asked? Compared, say, to Dallas or Houston? And if there is a trend of declining funding for higher education, would the University do well to privatize to a greater extent? It is going that direction by default, Dr. Rolnick observed. What are the implications, Professor Kleiner asked? In terms of a comparison with Dallas, Dr. Rolnick said, he believes the quality of life is much higher here than there. But the Twin Cities will be way behind in 20 years without a major, high-quality university. With respect to privatizing, he said that process can only go so far without harming the "publicness" of the University—public goods are public and basic research could be harmed.

What is really important is that the University start long-term marketing in order to develop citizens with a different view of the University, Professor Lanyon said. It must pay attention to the short-term, but it must develop the long-term view as well.

Professor Martin returned to a point made early by Dr. Rolnick: he linked the long-term change in Minnesota in the last half of the 20<sup>th</sup> Century to investments in education. That provides an opportunity to talk about investment in the University over the last 100 years and the importance of sustaining that investment. But does the "higher education as a public good" argument have any power at all? Dr. Rolnick said he would think it does. Look at the number of graduates who stay in the state. It would be interesting to try to explain what happened in the 1950s—was it a planned strategy to invest in education or was it serendipity? The University, he repeated, must convey the importance of an educated workforce. This committee is frustrated by the lack of understanding about the role of the University in the economy and the quality of life in the state; in part that is because the University has not done a good job in explaining it.

The University of Minnesota exists in one of the wealthiest economies in the country, Dr. Rolnick said; lack of funding for the University is not because of the economy, which is still growing at a good rate. It has good companies. It is ironic that the University is struggling, because in broad terms, it is not the economy that it is doing it in.

Professor Marshak thanked Dr. Rolnick for joining the retreat; Committee members gave him a round of applause.

### **3. Admissions, Retention, and Graduation Issues**

Professor Marshak next welcomed Vice Provost Craig Swan and Twin Cities Director of Admissions Wayne Sigler to discuss issues related to admissions, retention rates, and graduation rates. He commented that he has heard many compliments about the admissions office on the Twin Cities campus. Dr. Swan said that the office could be the strongest in the Big Ten, if not among the strongest in the country, and that the campus would not have continued to be as successful as it has been without the work of Dr. Sigler and his colleagues.

Dr. Swan commented on points that Professor Marshak had made in his recently-prepared report to the Board of Regents (for the September meeting of the Board), particularly with respect to the ratings in U.S. News and World Report. He agreed that retention and graduation rates are critically important to

the success of the University. He said he was concerned about the lack of context surrounding the issue, however; he reviewed the history of the 13-credit rule and other changes that have been made. This is the third year of the 13-credit rule; the first year was Fall, 2002, and sophomores in Fall, 2003, took more credits than they had the year before—something that has not happened on the campus in recent memory. It remains to be seen what happens Fall, 2004.

There have been a lot of presentations and commitments made to the Board of Regents concerning graduation rates, Dr. Swan said. The Twin Cities goal is a 4-year 50% graduation rate and a 5-year 60% graduation rate, to be achieved over ten years. The campus is on track to achieving that goal. It is wrong to imply that no one is concerned about graduation rate issues, he said, and there is a range of policy matters that must be addressed.

Incoming students on the Twin Cities campus look like students entering Iowa, Purdue, Indiana, Ohio State, and Michigan State (but not like those entering Michigan, Penn State, Illinois, and Wisconsin), but the campus's graduation rates do not. The graduation rates must improve, Dr. Swan said, because that is one important way the University will be measured. The campus has made significant progress; in the early 1990s, the 4-year graduation rate was about 10%. There are differential graduation rates across the colleges of the Twin Cities campus; if the University is to succeed, CLA will be central because it is so large.

The graduation rate goals are aggressive, Dr. Swan said—they are a stretch, and will need full commitment from everyone if they are to be achieved. He said he has been encouraged to see the change in culture that seems to be occurring; the faculty support it and there appears to be a change in the student evaluation of their experiences.

While freshmen at Minnesota may not compare with those at Michigan and Wisconsin, they are comparable to many; what happens at Minnesota that has such a devastating impact on graduation rates, Professor Martin asked? In the past, there were a number of factors that were thought to explain why the low graduation rate was acceptable, Dr. Swan said, but the task force he and Dr. Rinehart co-chaired a few years ago found that those arguments did not wash. It was not the fact the Twin Cities campus is urban, it was not because more students are working more (the percentage is dropping), it was the climate: the University was not clear about expectations and there was a permissive climate with little accountability. Now the campus sees a lot more parents committed to a four-year graduation and the campus is very explicit about expectations being set in orientation and with advisors.

From the outside, a 50% graduation rate does not seem high and people cannot understand why it cannot be achieved, Professor Balas said. Dr. Swan said he agreed but that it must be dealt with—it has not been the mindset of students or parents to graduate in four years and that mindset cannot be changed overnight. Students are new each year, Professor Balas responded; the University can tell them they need to graduate in four years. The University also needs to be sure that the curriculum will allow graduation in four years, he added. Dr. Swan agreed; the grad planner that is being developed will require departments to provide a curriculum that will allow students to graduate in four years.

Do colleges have goals that they must achieve as part of the compact process, Professor Balas asked? There have been implications in the compacts but they need to be made more explicit, Dr. Swan said.



Sophomores taking more credits is a stunning change, Professor Sampson said, and it reflects a huge cultural change. What is needed is more energy directed to individual faculty to help them assess what they are doing with respect to graduation rates. Dr. Swan said he would bring the issue to the undergraduate deans.

Professor Wells asked about the ratio of students to advisors because, she said, advisors are critical to helping students map out their curriculum. The ratio varies from college to college, Dr. Swan said, and ranges between 250:1 and 300:1. The grad planner will help students and advisors map out their curriculum. Professor Wells described problems she had encountered with students transferring into her program; Dr. Swan observed that there will almost always be problems with inter-college transfers. Professor Lanyon recounted that he has students who tell him they need his course to graduate; what percentage of students do not graduate because they need one course? Dr. Swan said that access as a problem varies by college and campus. Professor Lanyon said he has not been responsive to such requests but needs to know if getting students into the course so they can graduate is a high priority. Colleges and faculty have to be engaged; while they have heard graduation rates are an issue, they have not heard that it is THE critical issue. Dr. Swan said he took the point and added that there is a role for this Committee and the governance system to play as well.

A related problem, Professor Hoover said, is that when she has talked to her faculty, all feel they have no accurate record of students they are to be advising and no way to track if they are registered. That may not be a problem for professional advisors, but it is for faculty. Dr. Swan said that there is a way to find advisees and that colleges have told him they contact students who do not register. In the past, no one knew when students did not register again. He said he has been told that colleges are much more active about asking students why they did not register again. Several other Committee members variously expressed the view that the problem Professor Hoover mentioned is a problem in all colleges.

Professor Marshak said he recognized that much work has been done on the process part of increasing graduation and retention, but said that 10 years is too long; the University cannot afford to increase its graduation rate so slowly. It cannot achieve its goal by process alone; it will have to look at the structure and the inputs, he said. Dr. Swan agreed that the University should meet its graduation goals sooner than 10 years.

Is anyone looking at the graduation rate for the Graduate School, Professor Kleiner asked? Dr. Swan suggested the Committee ask Dean Bloomfield that question.

Professor Sampson said that the issue of faculty culture and attitude toward teaching versus the need to do research must be considered. How is the University to maintain quality and increase the graduation rate? One minor issue is the question of not teaching on Fridays. Dr. Swan agreed that there is a large role for the faculty and said that this Committee could play a leadership role, along with other Senate committees. One issue is that faculty do not realize this (retention and graduation rates) is an issue. He pointed out, however, that all universities rated more highly than Minnesota—and some rated below Minnesota—all have highly-rated undergraduate programs.

Dr. Sigler presented a series of slides to the Committee exploring the relationship between admissions, retention, and graduation rates. One issue that arose was whether it would be advantageous for the University to slightly reduce the size of the incoming freshman class on the Twin Cities campus by about 500 students or so in order to increase the likely retention and graduation rate, thus significantly

increasing its rankings. This could be accomplished without diminishing the University's strong commitment to diversity and early outreach. While eliminating the about 500 (10 percent of) incoming students least likely to succeed would have a differential impact on the various colleges, most colleges could replace the students lost through a smaller freshman class by bringing in more transfer students. By increasing their retention rates, colleges would not need to bring in as many freshmen to maintain revenue. Dr. Sigler also cited a study that indicated the tuition a university could charge is correlated with its graduation rates. Given the University's current graduation rates, its tuition levels are now at the upper end of the market.

How much of a problem is the decentralization of the Twin Cities campus, with a lot of different colleges admitting students, Professor Hoover asked? Students lose sense that they are admitted to the University of Minnesota. She said she has heard the CLA is full but that there are spaces available in other colleges. Students, however, should enroll as U of M students. There is a balancing act; there is now one admissions office on the campus; colleges set parameters, but there is only one admissions office. In terms of identity, at the program level it is with the program. At the undergraduate level, the University wants a strong identification with the campus.

There is one admissions office but it admits different cohorts, Professor Marshak said. It is admitting to seven or eight streams based on different criteria for each.

The information presented to the Committee should be a part of the strategic planning process, Professor Balas said.

Professor Marshak said that there is a large burden on the Committee because it needs to educate faculty about what will make a difference and that they need to understand this is a really important issue—that the future of the University depends on improving its graduation rates.

Professor Wells stressed advising; she said she sent her children to small schools because of the advising that was available. It would help to have advisors who could get students through. That requires money, Dr. Swan commented as the discussion closed. Some students do not need attention. The measures need to be more outcomes-based rather than progress-based.

The faculty will take up this issue when the administration buys into it, Professor Balas said. The faculty know how they are rewarded—it is research and publications. When the administration says curriculum is important, the faculty will support it.

Professor Marshak thanked Drs. Sigler and Swan for joining the meeting.

The discussion was put into abeyance; the retreat resumed the following day.

#### **4. Discussion of Rankings and Related Issues**

Professor Marshak convened the retreat again at 8:30 a.m. on September 2 and turned to Professor Sampson for discussion of an item he brought to the meeting. Professor Sampson distributed copies of a ranking of the Top 500 World Universities, compiled by the Institute of Higher Education at Shanghai University in China. The rankings are based entirely on research and related measures (e.g., alumni who won Nobel Prizes and Field Medals, staff who won the same, highly-cited researchers in

various subject areas, articles published in Nature and Science, citation measures, and academic performance with respect to the size of the institution). The University of Minnesota-Twin Cities ranked 38<sup>th</sup> in 2003 and 33<sup>rd</sup> in 2004. What is interesting about the table, Professor Sampson said, is the complete absence of universities in central Europe (e.g., France, Italy, Germany) in the very top range; the only one above Minnesota on the list of 60 provided to the Committee was the Swiss Fed Inst Tech (Zurich) at 27<sup>th</sup>. (The University of Utrecht ranked 39<sup>th</sup>, the University of Paris ranked 41<sup>st</sup>, and the Tech Univ Munich ranked 45<sup>th</sup>. There were then scattered others from Europe and elsewhere on the list between 45 and 60. Of the top 32 (those above Minnesota), 4 are in the United Kingdom, 1 is in Canada, 2 are in Japan, 1 is in Switzerland; the rest are in the U.S. The top U.S. institutions (and rank) are Harvard (1), Stanford (2), Berkeley (4), MIT (5), Cal Tech (6), Princeton (7), Columbia (9), U of Chicago (10), Yale (11), Cornell (12), UC San Diego (13), U of Penn (15), UCLA (16), UC San Francisco (17), U of Wisconsin (18), U of Michigan (19), U of Washington (20). One category that hurts the University of Minnesota's rankings is that it has no Nobel Prize or Field Medal winners on its faculty.

Europe is doing a lot to deal with its brain drain, Professor Sampson said. One sign is the number of graduate students who do their work elsewhere, and then stay in the country rather than return home. There is a substantial effort to rectify what happened when countries allowed first-rate universities to slip.

Professor Marshak noted the example of John Bardeen in Physics, who left Minnesota and then earned two Nobel Prizes. The pattern, he said, is an unwillingness to go after or retain stars. What does it mean to say the University moved from #38 to #33, Professor Kane asked? That if the University makes strategic investments, it can move up? What matters? It means attracting people to the state, Professor Marshak responded, and building the economy. Of those students who are turned down by the Twin Cities campus for admission, 70% leave the state—MNSCU is not a substitute for the University, and the state could end up being an exporter of students.

Part of the discussion at this meeting has been illustrative of the problem continental Europe is trying to deal with, Professor Sampson said: how difficult it is to recover. And these criteria are unrelated to the issues that were raised yesterday (admissions, retention, and graduation), he added.

What does the COMMITTEE think is important, Professor Feeney asked? One can look at all these rankings, which have different meanings; one can talk about the kind of students the University wants to attract. There is nothing here about teaching. Perhaps there should be a working group to identify what the University should strive for, and to discuss whether the University should be chasing ratings. There are a lot more important things the Committee and the University should be spending time on. Professor Kleiner responded that higher ratings result in more high quality students applying and a higher the yield from that group of students. The consequence of lower rankings is that the University of Minnesota must give students more money to come here.

A possible goal is to increase retention starting with the Fall of 2005 by reducing the numbers of students unlikely to succeed, Professor Marshak said. The Committee should make a recommendation to the President on this point, after consulting with Vice Provost Swan. Professor Chomsky cautioned that other factors besides demography affect retention; the Committee needs to be careful how it articulates the goal.

## **5. Discussion with Susan Heegard, Office of the Governor**

Professor Marshak now welcomed Ms. Susan Heegard, Director, Minnesota Higher Education Services Office, and the Governor's advisor on higher education issues. It was agreed that the discussion would be off the record. In the course of conversation, Ms. Heegard and the Committee touched on the following topics:

- The political context in which the University exists and makes its next biennial request; the kinds of arguments it needs to make
- Issues in higher education (strategic planning, workforce development, education as an economic engine, the structure of higher education, enrollment)
- The Governor's expectations of the University
- Mission differentiation
- Accountability
- The relevance of the land-grant role of the University
- Strategic investments and state funding
- Intellectual property
- The link between higher education and K-12 education.
- The standing of the University on the list of 500 top universities in the world
- How the University should communicate the message of the importance of a national and international research university
- What it means to be, or not be, "all things to all people."

In the course of the discussion, Vice President Pfutzenreuter distributed a table identifying the history of the University's revenue sources for the last ten years. Two columns on the table received particular attention (all numbers in millions of dollars):

	State appropriations	Student tuition/fees
1994	447	194
2004	572	485

The state appropriation was highest (in absolute dollars) in 2002, at \$644 million. It is expected that the lines on the graph of these two sources will cross, perhaps in the current year or the following year.

Professor Marshak thanked Ms. Heegard and Vice President Pfutzenreuter for joining the meeting.

## **6. Conflict Resolution**

Professor David Born (chair, Grievance Advisory Committee) and Ms. Carolyn Chalmers (University Grievance Officer) now joined the meeting to discuss recommendations concerning conflict resolution.

Ms. Chalmers reviewed the history of the effort, beginning with a request from this Committee two years ago that the Grievance Advisory Committee consider an ombuds service for faculty. There was an interim report to FCC and the President that supported more informal services in addition to the somewhat legalistic grievance process that currently exists. Following the interim report, a working group was charged to improve coordination among the offices that work with individuals who have grievances or disputes.

One goal is to reposition the University in relation to employee complaints. With the current system, the University is almost always in the position of defending itself and demonstrating that the employee is wrong; the proposed changes would allow the University to be a partner with the employee to help solve problems.

Another goal is to create a barrier-free environment for concerns so that the employee voice is encouraged. That is important for retention and for a vibrant environment. It allows employees to identify problems and helps the University avoid debacles—and can get information to the administration in a timely fashion.

The effort is also congruent with other Presidential initiatives.

They would like to get away from the term "grievance" and make the system more user-friendly, Ms. Chalmers concluded, by adding more informal tools to deal with employee problems.

Professor Born said that the Grievance Advisory Committee (charged with overseeing the functioning of the grievance system) found that people had difficulty identifying the avenue they should use to raise their concerns and were put off by the formalistic University Grievance Policy. Their recommendations try to respond to those concerns. They will continue to work on a consortium of University conflict resolution services, Ms. Chalmers added, with more transparency in the provision of services.

The University does need to look at better training for department heads and mid-level managers, Professor Born said, because such training could have a great impact on reducing conflict.

Professor Chomsky said this was a very positive step. She asked if there were concerns expressed during the consultation process that did not make it into their report. The biggest concern, Ms. Chalmers said, is that if the University eliminates barriers to articulating concerns, it may encourage a flood of complaints for managers and encourage complaints that have no merit. She said she understood the concern but does not believe it will happen—and if it does, that will not be all bad, because people need somewhere to go, and better to a Conflict Resolution Office than to the President's Office. And if they can help nip problems in the bud, that could avoid million-dollar lawsuits, Professor Born said.

Moving to an informal system puts a premium on having good people deal with problems at the informal level, Professor Chomsky said; what mechanism is there to be sure the system works for everyone? They have not started a voluntary mediation program because there has not yet been the demand and because of quality control issues, Ms. Chalmers said. They hope that the current staff in the Grievance Office, perhaps supplemented by help from consortium offices, can implement the system. There is a sense that the offices and staffs have the skills needed, Professor Born said, although there may come a time when they would recommend funding for more formal training programs for staff in these offices.

Will there be a process to obtain feedback, Professor Chomsky asked? There is now, Ms. Chalmers said. They hope to continue an annual survey of users.

Professor Kleiner applauded the recommendations. Professor Kane asked if there would be a communications roll-out to let people know about the kinder, gentler Grievance Office. A roll-out is needed, Ms. Chalmers said, and they will do it in conjunction with other University offices involved in conflict resolution. She said she did not know if they would see a big influx of complaints but said again that she did not expect one. If they do, they will pull together a team to help them deal with it. Professor Kane reported that experience at other institutions suggests there is a bump in complaints but that it then tails off.

Professor Martin thanked Professor Born and Ms. Chalmers for their work. Given the cuts at the University last year, do they expect more complaints coming? (They do.) Can they be handled in a non-adversarial way, she asked? Often the need is for an immediate place to talk through the lay-off. For P&A staff, non-renewal is not grievable, Ms. Chalmers pointed out, nor is a civil service lay-off if the individual elects to take benefits when laid off.

Professor Sampson described the recommendations as splendid and said that universities in this regard have been very far behind the business sector. Two things are happening: this recommendation and a University that is not steady-state. Is there evidence that changes are smoother and qualitatively better with this kind of process in place? There is literature that suggests universities need to be flexible and need to have offices to deal with change, Ms. Chalmers said. There have been case studies in industry that show greater employee satisfaction with conflict resolution mechanisms that are not so legalistic.

Professor Brorson also thanked Professor Born and Ms. Chalmers and encouraged them to pursue support for training. Professor Clayton said the recommendations were a "great humanizing of a dehumanizing process."

What is to be the disposition of the recommendations, Professor Marshak asked? Professor Feeney said he would like to see this Committee take action and moved that it thank those who were involved in the work and support and encourage what they have done. The Committee voted unanimously in favor of Professor Feeney's motion. It was agreed that the recommendations would be brought to the Senate Consultative Committee for placement on the University Senate docket on September 30.

Professor Marshak thanked Professor Born and Ms. Chalmers for their work and for joining the meeting.

## **7. Graduation and Retention Rates**

Professor Marshak distributed copies of a graph he had prepared that plotted freshman retention rates on the X axis and 6-year graduation rate on the Y axis for public and private national universities and for UMTC colleges. The graph, he observed, clearly suggests that freshman retention and 6-year graduation rates are correlated. The problem with using graduation rate as a feedback measure, however, is that it takes too long; freshman retention, however, serves as a good proxy. If the University is to achieve a 75% graduation rate, it needs to have a freshman retention rate of about 90% (right now it is 84-86%). One way to operationalize the goal of an increased graduation rate is thus to change the freshman retention rate.

One way to increase freshman retention would be to increase the amount of merit scholarship funding. It appears that a proposal to do so is stalled in the administration; perhaps this Committee could help by urging an increase in such funding.

Professor Sampson said he worried that the budget cuts would affect the number of freshman seminars, which have helped contribute to retention rates. In looking at the 70% of students who go outside Minnesota if they are not accepted at the University, the question is where the University should put its money to get them to come here. If there is to be any effect on the 2005-06 retention rate, Professor Marshak said, a decision has to be made in the next few weeks.

Where does the University rank in graduation/retention among public land-grant research universities, Professor Kane asked? "Low" was the answer.

There was discussion about the best place to direct funds, merit scholarships or such things as undergraduate research opportunities. Professor Balas suggested one could mix the scholarships with a research component. The retention problem is not with the top students, it is with those toward the bottom; the retention rate has a lot to do with who the University admits, Professor Hoover said. The question is whether the University should not admit 500+ students who are less likely to succeed. This raises the question of the role of the faculty in setting admissions standards, Professor Hoover said; Professor Marshak said that there should be a subcommittee of the educational policy committee to work with experts on the standards. Can SCEP do anything in the next couple of weeks about admissions for 2005-06, he asked? Professor Hoover expressed doubt that it could.

Professor Hoover returned to the question of how to hold faculty accountable for retention and graduation rates. Professor Marshak said the Provost needs to set goals for student success as part of the compact process. Unless the deans have graduation/retention as part of the matrix for merit increases, as part of how faculty are recognized, faculty will not spend time on the issue, Professor Martin maintained. The Committee should support increased admissions standards, Professor Lanyon said, but not only that; the administration must also charge the deans with making graduation/retention a priority in evaluating curricula. This is not just admissions, Professor Kleiner said; some students self-select by their interests in a subject like finance or business (e.g., if they cannot get into the Carlson School, they will go to Arizona, Wisconsin, or somewhere else). Part of the problem may be that faculty do not have the information they need, Professor Lanyon said, because many do not deal with the problems students have at this level. Professor Feeney said he would like to see an organized approach to these topics: where the University is headed, what kind of students it wants, if it will chase ratings, what the balance between the University and MNSCU should be, financial aid, recruitment of star faculty and students, and so. The

various surveys use a lot of different criteria; the University needs to decide which ones it wants to respond to. Professor Lanyon agreed, saying the University should not chase any and all rankings. It should act on retention rates now and discuss the other ones soon.

Professor Feeney observed that they have heard about graduation rate for 10 years but this emphasis is a new idea. If it is decided that is to be the major factor, fine. But, he pointed out, the deans rely on IMG (generating revenue from tuition). Professor Marshak said he would be very upset if some colleges were admitting students unlikely to succeed primarily for the purpose of meeting their revenue requirements.

The administration has signed up with the Board of Regents to increase retention and graduation rates, Professor Balas said; the Committee should get behind those goals and identifying opportunities to achieve them. The consensus appears to be that the campus needs to improve the quality of students admitted, Professor Martin said, focus on retention, and provide the level of services and the classes those students need. Professor Kleiner said the administration should hold colleges to achievement of the goals, including through use of the merit evaluation system. Professor Hoover commented that if she knows she needs to help increase the retention rate to 90%, and will be rewarded for doing so, there are things she would do differently.

There is also a need to communicate to faculty and staff that tuition revenues will soon exceed state appropriations, Professor Marshak said. And that the University is involved in a struggle to protect its resources, Professor Sampson added, while it is also working hard to improve quality.

Professor Marshak thanked everyone for attending the retreat and adjourned it at 12:05.

-- Gary Engstrand

University of Minnesota