

Minutes*

Senate Committee on Finance and Planning

Tuesday, May 18, 2010

2:00 – 3:45

238A Morrill Hall

Present: Russell Luepker (chair), Jon Binks, Sarah Chambers, Steen Erikson, Kara Kersteter, Lyndel King, Thomas Klein, Joseph Konstan, Judith Martin, Kathleen O'Brien, Paul Olin, Gwen Rudney, Terry Roe, Karen Seashore, Mandy Stahre

Absent: David Chapman, Jennifer Dens, Devin Driscoll, Lincoln Kallsen, Fred Morrison, Richard Pfitzenreuter, Michael Rollefson, Thomas Stinson, Michael Volna, Warren Warwick, John Worden, Aks Zaheer

Guests: Amy Short (University Sustainability Coordinator)

[In these minutes: (1) sustainability; (2) report from the Subcommittee on Twin Cities and Support Services (building codes and University building standards); (3) risk aversion; (4) audits; (5) blue-ribbon committees]

1. Sustainability

Professor Luepker convened the meeting at 2:05 and welcomed Vice President O'Brien and Ms. Short to provide a report on the University's sustainability efforts. Committee members had been provided with the charge letter to the Systemwide Strategic Sustainability Committee, to the Twin Cities Sustainability Committee, and an organization chart of the sustainability committee structure.

Vice President O'Brien began by commenting that if one thinks about the University and sustainability/environmental stewardship with respect to teaching, research, and outreach, the University of Minnesota has been a leader from the beginning. This year is the 100th anniversary of the Itasca Biological Station, the University offers a Sustainability Studies minor, the Minnesota Extension Service has designed the solid-waste systems for counties for 30 years, and the Twin Cities campus recycling program started nearly 30 years ago. The University has been a leader and excelled. However: It has a tendency to do great things but not talk about them, and there hasn't been enough coordination across the efforts so that the whole is greater than the sum of the parts. The University has not said where it is and where it wants to go. The sustainability efforts, overseen by the new committees, are intended to fill that gap: encourage cross-fertilization, understand where the University is as a system, and be more purposeful in sustainability efforts.

The Board of Regents passed a sustainability policy in 2004, a policy that was ahead of its time, calling on the University to be more sustainable across its operations as well as in teaching, research, and service, Ms. O'Brien recalled. The policy also called for establishment of goals, outcomes, and measures. A year ago Professor Deb Swackhamer and Vice President O'Brien brought a report to the Committee, "Systemwide Sustainability: Goals • Outcomes • Measures • Process," that was the work of a faculty, staff, and student committee—about 75 individuals across the system. Professor Swackhamer and Vice President O'Brien, co-chairs to that committee, brought the report to the Board of Regents last

* 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.

October and advised them it set out the baseline goals. [The report can be found at http://www.uservices.umn.edu/sustainableU/UM_Systemwide_Sustainability_Final_Report.pdf]

A newly-formed Systemwide Strategic Sustainability Committee is charged with oversight of the plan for the institution and will provide an annual report to the Regents, including a report on the University's carbon commitment. It is a more strategic committee intended to report on how the University is achieving its goals and will report both to the Board and to Senate committees. There is also a sustainability committee on each campus that is more oriented to operations. The system-wide committee is not directing but rather coordinating and facilitating.

Vice President O'Brien noted the organizational chart and said that the systemwide committee is about where the University wants to go, mobilizing the University to get there, and will consider "systemwide direction, priorities, and program needs, alignment with policy, ensure consolidation of annual reporting for regents, communicate best practices, [and] assess progress across system." It will not, however, be directive. They have had an initial meeting of the systemwide committee, with nearly perfect attendance and great deal of enthusiasm.

Some of the University's efforts have already been recognized. The Sustainability Endowments Institute issued a "College Sustainability Report Card 2010" that graded 300 institutions. The University is one of 26 institutions that received an A- (the highest grade any organization received), one of the few large institutions to do so, and Minnesota was the best in the Big Ten.

As part of implementing the Board of Regents policy, Ms. O'Brien told the Committee, the University is involved in three activities: the Chicago Climate Exchange, the American College and University Presidents Climate Commitment (Presidents Climate Commitment) and Association for the Advancement of Sustainability in Higher Education (AASHE). Ms. Short reported that the systemwide committee's charge is to integrate these existing activities into the University's sustainability effort and measure them.

AASHE is a professional organization that was launched in January 2006 to help coordinate and share information about sustainability in higher education and provide resources to advance sustainability. It has also developed a metric system for higher education, including peer review, and initiated a 70-institution pilot program (in which the University of Minnesota, Morris, participated). AASHE decided on a joint and transparent effort in order that institutions could compare with each other. The metric system, called Sustainability Tracking and Reporting System (STARS), has just started and will overlay the University's goals. AASHE started with more small schools, but has grown to include larger institutions. The metric system is inclusive of governance, operations, education, research and social justice aspects of sustainability. The AASHE website provides many other tools, especially focused on operations and education. The University of Minnesota is member, so everyone with a umn.edu address has access to their tools.

The Chicago Climate Exchange (CCX) is North America's only cap-and-trade system for all six greenhouse gases. Members are part of a legally-binding commitment to voluntarily reduce carbon and greenhouse gas emissions by 6% over 8 years. Reductions beyond the commitment are bought and sold. University alumni were instrumental in moving forward the cap-and-trade provisions. The University has already considerably reduced emissions and gave carbon credits to trade (down 27% from the baseline years, 1998- 2001). One problem with the proposal for national cap-and-trade structures is that early adopters do not receive credit if the baseline shifts—say to 2005. CCX carbon trading values are low right now partly due to the uncertainty of the future of a federal system. Are they virtual credits, Professor Luepker asked? They had a value of \$600,000 at one time, Vice President O'Brien said. The

Exchange's members are from all sectors, primarily businesses. There are seven university members out of 300. Ms. Short reported.

The challenge at the University, Professor Konstan said, is that what will be kept, shrink, and grow are program discussions. Is there anything in the sustainability effort to provide units help with decisions? There are metrics that provide information by campus and at lower levels, Ms. O'Brien said, on savings and costs, to help with decisions. The metrics can provide information to be used in decision-making. On the operations side, it can sometimes be frustrating when there is not full costing of the impact of academic decisions.

The American College & University Presidents' Climate Commitment was begun in 2006 and originally signed by 12 presidents. One of its standards is scientific consensus for an 80% greenhouse gas emission reduction by 2050. With strong faculty and student involvement, President Bruininks signed the Commitment, after review by the Institute on the Environment. There is no clear path to achieve the Commitment's goals, but they do match the spirit of the Board of Regents' goals to reduce dependence on nonrenewable energy, Ms. Short reported. It is an institutional commitment to estimate emissions and develop a plan for climate neutrality. Plans are small to start with and will be expanded, and each campus will participate. A part of the commitment is incorporate sustainability and climate neutrality into the curriculum and also to expand research to help achieve climate neutrality.

Vice President O'Brien explained that Ms. Short, an environmental engineer (M.S., Minnesota), has been at the University for two years, and came from 3M.

When one gets into the meat and potatoes of what the plan is and what the measures are, there will be a need for robust discussion, Ms. O'Brien said. One has seen that this spring in the various efforts to eliminate the use of coal in the power plant. To do so would be very expensive. About ten years ago, the University reduced its reliance on coal from 100% to 30%, but a change in the fuel mix now would be very costly. She said she will be bringing an item for discussion to the Committee. Some smaller and wealthy colleges can achieve carbon neutrality by buying credits, something she does not believe in.

The Committee needs to understand these issues, Vice President O'Brien concluded, because they will enter into the financial discussions and discussions about how the University can be a good citizen.

The full costing of academic programs and initiatives that Vice President O'Brien mentioned comes up repeatedly at this Committee, Mr. Klein said. He said it's not apparent on whom the responsibility falls; perhaps it should be a charge to the sustainability committee. He would like to see brought to this Committee the issue of who is responsible for developing a full costing of programs. The Committee should not be in the position of once again being asked to consult on programmatic and administrative proposals and not have full-costing information. Should it be done at the college level? That would be possible, with shared definitions. Or should it be done centrally, because units might twist definitions for their own benefit? The starting point would seem to be defining who is responsible for doing the analysis and preparing the information.

Vice President O'Brien reported that in 1993 she was active in the national association of county and city managers, which entered into a multi-year effort to measure the cost of services across cities so that there would be baselines and a means of comparisons. For example, Minneapolis says it has one of the best park systems in the country—but it spent many times more than anyone else. So one can ask, could it still have one of the best in the country but only spend twice as much as everyone else? She said she believes full costing of programs should inform decision-making.

Professor Martin inquired about the utility of fully costing every program in University Services. For example, installing systems so that the electricity goes off automatically is a great idea, but doing so involves some cost. Does anyone have any idea what it would cost to do this for all areas of University Services? They analyze projects for the payback period, Vice President O'Brien said, and make decisions based on it. Many energy reductions have been achieved by changing heating/cooling times or fan settings, Ms. Short said, an inexpensive way to make reductions in energy use and costs.

Professor Martin asked about the relative benefits of trying for LEED certification versus following the state's B3 standard.

[B3 refers to "Buildings, Benchmarks & Beyond." "In 2000, the Minnesota Legislature required the Departments of Administration and Commerce, with the assistance of other agencies, to develop sustainable building design guidelines mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004. In 2008 this legislation was expanded to include development of sustainable building guidelines mandatory for all major renovations receiving funding from the bond proceeds fund after January 1, 2009. The legislation defined major renovations as at least 10,000 square feet and including the replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. According to the legislation, the guidelines for both new buildings and major renovations must:

- Exceed the state energy code by at least 30 percent
- Focus on achieving the lowest possible lifetime costs
- Encourage continual energy conservation improvements
- Include air quality and lighting standards
- Create and maintain a healthy environment
- Facilitate productivity improvements
- Specify ways to reduce material costs
- Consider the long-term operating costs of the building including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas."

<http://www.msbg.umn.edu/index.html>]

There is a lot of concern about the cost of LEED certification. Vice President O'Brien said she saw LEED certification as a "good housekeeping seal of approval" and that the University can frequently better use the money elsewhere. Professor Martin asked if the state B3 standard equaled LEED certification. It does overlap at the silver level, Ms. O'Brien said. The University should get that information out, Professor Martin suggested, so that people know why it is not seeking LEED certification but is following state standards instead. Many schools pursue LEED because it provides third party verification. They have sought LEED certification on some buildings, Ms. O'Brien commented, such as the stadium and the community-service building at Morris, and in those cases it was done for a reason because of the specific building. In general, however, the University builds to the state's B3 standard. Internal standards are also being updated to include additional sustainability aspects.

When one talks about sustainability, one is really talking about practical tradeoffs, Professor Seashore commented. In some cases, the University decides not to do something; in others the benefits

are easily identifiable, and so on. With respect to academic programs, the costs are easy to allocate but the benefits are much more difficult to identify. She said she would like to see the University move ahead in the way that Mss. O'Brien and Short described with respect to operations, and then just put its toe in the water on academic programs, because it would not be a good idea to try to compare benefits across academic programs. She also pointed out that the University has five campuses, so faces challenges beyond the complexity of the Twin Cities campus; are there any issues that stand out at the coordinate campuses?

There are, Ms. O'Brien said. Each has different areas. UMD has streams through campus that run into Lake Superior, so they have become excellent at storm water management. UMM is known for its work in energy. UMC is connected to the Research and Outreach Center and focuses on integrating the Center programs with the academic programs. The Twin Cities has been a leader in solid-waste disposal and transportation. The nature of the campus provides an opportunity to achieve excellence in operations. UMR is developing a plan for a campus that will be unique in that it will be from the bottom up, so will eventually have more control over its facilities than it does now.

Professor Roe professed himself delighted that there will be metrics, which are needed. He said they need to identify win/win sustainability efforts, ones that can improve lives and lower costs. There are a lot of areas where that is not true, and there are costs. What mechanism will be used to decide that the University will not do something because it is too costly? From the operations side, the decisions are made in the business planning process: What they do and who they serve and what is to have a high priority. They know they could be doing fewer projects in a year or they must redesign what they do. Is there not a quasi-predetermined budget, Professor Roe asked, decided on a case-by-case basis? All the sustainability efforts are funded through University Services reallocation, Ms. O'Brien explained, because they have no specific funding identified for it.

Is it within the systemwide committee's charge to provide information on prospective decision-making, Professor Konstan asked? For example, the impact of a night/weekend program (and the balance between better utilization of buildings, on the one hand, and greater driving due to reduced public transit, on the other)? They will be successful if they can engage the entire University community in the effort and if people go online to look for information, Ms. O'Brien responded. They need to provide information; the University can change the world by changing the University's culture.

Professor Konstan commented that he was rubbed the wrong way by the idea that the University could decide to buy carbon offsets. The University should be in the business of selling, not buying. And if there isn't a way to make energy and environmental research part of the market (so one can buy an offset by funding appropriate research), it should work to create such a way. Vice President O'Brien agreed and added that buying offsets is "not kosher." Ms. Short reported that the University can sell credits, but in order to sell credits AND meet the climate neutrality commitment, the University needs to become a generator of credits through generating renewable or lower carbon-based energy, or other projects. If credits are sold, that reduction does not "count" toward the climate neutrality goal because selling allows someone else to emit an equivalent amount. So as related to the climate neutrality goals, the University would need to reduce the greenhouse gas emissions to zero.

Mr. Klein cited as one small example of what appear to be insidious built-in costs that is pointed out in the President's charge letter to the sustainability committees: He asked people to let the staff know if they use UMCAL. There are efficiency and cost questions there: How long will the University be inefficient because it does not have the same calendaring system? How much does it cost in additional software licenses, staff, office space, etc., to run multiple calendaring systems? This is money that goes

to administrative expenses. Rather than allowing a number of calendar systems across units, there should be one. One can make the same argument about a number of other University systems.

Professor Luepker thanked Vice President O'Brien and Ms. Short for their report.

2. Report from the Subcommittee on Twin Cities Facilities and Support Services

Professor Luepker now asked Ms. King to provide a report from the Subcommittee on Twin Cities Facilities and Support Services (STCFSS).

Ms. King reported that the subcommittee had considered several issues during the year.

-- The process on the approach to capital projects: Each October the Board of Regents approves a six-year capital plan (for all projects that cost more than \$2 million). There are several "lanes" for a project, depending on the funding. A project reaches predesign when it has been signed off on by the appropriate administrators, but does not get to the design phase until the funding is available—and some projects move faster than others. Once a project is on the six-year capital plan, it is rare that it is not done, but the timing and priority within the list may shift. The subcommittee concluded that the process is much more orderly than in the past but that there is still jockeying for position on the capital plan and that it is not entirely scientific.

-- The building code and University standards: University buildings go beyond current building codes (they are required to last longer than, for example, a shopping mall, and are built for "in perpetuity"). The last update to University standards was 2002; a revised set is being prepared for 2010 and will include sustainability standards. In benchmarking with the University's peers, the University is at the low end of construction costs (not total project costs—they do not have those data).

Facilities at the University must meet NIH standards for PIs to receive grant funds, and all parts of the University must meet the same standards. The University is more stringent on fire standards so that it meets local standards. Permits for work at the University cost less than half of what they do at the City of Minneapolis.

Ms. King asked Committee members to send her any suggestions they have for issues for the Subcommittee next year.

Professor Roe recalled that there were discussions last year about obsolete space; did that come up? It has, Ms. King said. There will be buildings decommissioned, and the Subcommittee talked about the cost of decommissioning versus the cost of continued operation. This is part of the work of the space utilization committee, which is trying to identify \$10 million in savings by July, 2011, and this Committee will receive a report on its work in June, Vice President O'Brien reported. They hope that as academic units make programmatic decisions, they will be nimble enough to consolidate the use of space. The MRRC building was vacant for a decade or more, but because it was solid, it was feasible to renovate. That will not always be the case. One can say that the University has more space than it needs and does not always have the space it does need. In addition, Ms. King said, while sometimes it may cost more to renovate a building than it would to build the same space new, the University is committed to preserving older buildings. Folwell is a good example, Vice President O'Brien pointed out; it is 102 years old and will be updated with central air-conditioning and new HVAC systems. In the case of Nicholson, they essentially built a new building inside the shell.

Professor Luepker recalled that the Committee talked a year ago about the University's internal inspection system. It saves the University money, Ms. King reported; the University's inspection system is cheaper than Minneapolis's. Every building is built by providing permits, Ms. O'Brien explained. The University has had its own code office since 1972; the office is supported by permit fees. Permit fees at the University lower than city permit fees and are set to recover costs, not make money. The benefit for the University of having its own code office is consistency in interpretation of the codes (e.g., at Morris as well as the Twin Cities).

The other question was whether it costs more to build buildings at the University and whether the codes are more stringent, Vice President O'Brien said. They have looked at other institutions of higher education; the costs at the University are lower, at least compared to the benchmark for public and private institutions. That includes total project costs, not just construction costs, she confirmed. Every institution has "soft" costs that are not in the cost of the permit but are things the institution is required to do. It is usual, when building a building, that it appears there are 25-30% soft costs, but much of that is contingency funding that is moved into actual construction costs as needed. In the end, soft costs are 16-17% of the project cost, which is about the industry standard. The question many ask is whether all those requirements are needed. It is not just code, it is University building standards. Which, Ms. King said, are higher than those outside the University. For example, Ms. O'Brien said, the specifications for HVAC, plumbing, and electrical systems are higher because the University is building buildings that will stand much longer than private-sector buildings. Moreover, with the same standards across the University, operating costs are lower. There are upfront costs to the University's standards but there are also savings.

So they are saying that the University's code costs are lower than the City of Minneapolis but they are high because of high expectations, Professor Luepker concluded. The cost of the code office is modest, Vice President O'Brien corrected; it is University standards and other health and safety codes (e.g., for labs) that increase University costs. But in the long-term, they save money, Professor Luepker said. What does it cost to run the code office? It is part of University Health and Safety, Ms. O'Brien said, which costs about \$1.6 million, and about one-third of that is for the code office. She said that she understood the concern has been about the health and safety standards rather than the code office. One question was whether the University is being efficient in running its own code office internally.

What services does one get for the permit fees, Professor Roe asked? Inspection to be sure that the building is built to code? Plan review to be sure it is constructed to University standards, Vice President O'Brien said, then daily on-site visits (they had 4 site visits per day when the stadium was being built). Once a project is done, the code office certifies it for occupancy. They follow the project from birth to completion. Is the same true outside the University, Ms. King asked? It is, Ms. O'Brien said. One might say that the University should look at more risk, but it has been well-served by the code office. Ms. King said she was more confident about the office upon learning that it is self-supported with permit fees, and said she assumed the office would shrink if there are fewer buildings being built. Vice President O'Brien said yes.

Professor Roe said the perception is that the code office is a net positive for the University. It would be interesting to talk with subcontractors to find out who they prefer to work with.

The previous year's conversation was about whether the University should build its buildings so well, Professor Konstan said. Some of the most expensive buildings are the most high-tech, and they are also the ones that go out of being state-of-the-art fastest. One wonders whether the University should think about a 20-30-year span for science and engineering buildings and perhaps thereby save enough money start planning new buildings very soon thereafter. Before the University started building the

biomedical discovery district, Vice President O'Brien responded, they had people look at 3M and Boston Scientific to see what they are doing. The result is buildings with much more flexibility in dividing up space.

Vice President O'Brien said she has been following the Committee's discussion about how to learn more about parts of the University and about being efficient and about due diligence on the part of the Committee. They have a great deal of data to provide the Committee, although it would take more than 30 minutes. They can provide the Facilities Condition Assessment and explain how they try to determine which buildings are the Folwell Halls and which buildings should perhaps only be used for another 10 years or so. They are trying to triage facilities. Ms. King added that the University has a list of buildings eligible for the Historic Register—but just because a building is eligible does not mean it has great architecture. As the Committee thinks about how to take on the assignment of shared governance and partnership with the administration, and as the institution faces challenges, perhaps it should chart subject-matter areas to inquire about, Vice President O'Brien suggested. The Subcommittee could report on the triage process. Professor Luepker agreed and said it would be helpful for the Subcommittee to gather information.

Professor Martin commented that in the outside world, buildings are generally built to last the life of the mortgage. There are some buildings in Minneapolis and St. Paul that are ready to fall down because of this, but the reason that Lake Street is being revived, Professor Martin said, is because it has renovated old buildings that small businesses can then afford. Maintenance and reuse are key. She said she believed the University is served well by building to higher standards. Professor Luepker agreed with Professor Martin.

Professor Luepker thanked Ms. King for her report.

3. Risk Aversion

Professor Luepker recalled that the Committee has discussed risk aversion and reported that the subject had come up at the Faculty Consultative Committee. FCC was informed that Vice President Mulcahy has created a committee to look at the subject as well.

Professor Martin reported that she is on Vice President Mulcahy's committee, which he established as a subgroup of the Advancing Excellence Steering Committee. It emerged because of the feeling expressed by this Committee, and elsewhere, that the University has been unnecessarily cautious in a number of areas, a caution that has held back productivity. The University has a legacy from the mid-1990s and NIH "exceptional" status, which kicked into being regulatory machinery that now may be overkill. The group is looking to see if there are policies that could be changed to allow more flexibility and reasoned risk. This is more about culture than financial issues, she added.

Professor Luepker inquired if Vice President Mulcahy's committee had a statement (not yet, but it will); he suggested that when it does, Professor Martin, Vice President Mulcahy, and University Auditor Gail Klatt join the Committee for a discussion so that there is a coordinated effort.

Will they look at case studies or examples, Mr. Klein inquired? He recalled being at one of this Committee's meetings discussing EFS with a number of people from the operations side. The discussion was about the number of layers of approval for payables. Vice President Pfitzenreuter was candid about the different views of controls and approvals. One school of thought was that approvals needed extensive separation; Mr. Pfitzenreuter's candid remark indicated EFS may have overkill in the payables approvals.

This could be an informative case study on how the University handles risk if the Committee were to talk with a range of people who have good insight into risk tolerance in financial transactions and research.

Professor Martin noted that Ms. Klatt, the University Auditor, has said she will audit to policy. The task is to be sure that policy is set to operate as the University wants it to. There is a strong feeling among subcommittee members (which includes a number of faculty members) that the University is laboring under the shadow of exceptional status. Unless it can figure out a way to get past that through policy changes, it won't happen.

What is also part of the culture is the continual addition to syllabus requirements, Professor Konstan added, and requiring international visitors to buy health insurance (deciding that the risk of illness is worse than the risk of not being able to come here at all), and the certified-approver program, and University rules that go down to the most minor expenses. He said he hoped that the scope of the committee's charge goes beyond just risk in research.

IACUC has "gotten crazy," Professor Seashore commented. Projects approved before are not being approved now. The process chews up an enormous amount of faculty and administrative time, which equals money, and the animals are not better off. That is a complaint all over the University and it fits into the problem. People do not stay on the animal-care committee because it is so time-consuming, or the people who serve on it are those who have nothing else to do. The University has created a monster. (She noted that she has never used animals in any of her work.)

It was agreed the Committee would speak with Vice President Mulcahy once a report on risk aversion is prepared by his committee.

4. Audits

Professor Luepker recalled that the Committee had a vigorous discussion at the last meeting about the "audit" proposal; he has edited the statement in light of the discussion. One worry he has heard is that the President needs to agree with the proposal that the Committee conduct reviews of administrative units, but to do so seems to be within the charge to the Committee and if some units are recalcitrant, they will appear in the minutes. He provided a list of possible units to have discussions with, beginning next fall.

Cooperation is needed, Professor Konstan said, and it will be easier to get reports and data if the President supports the Committee's work, rather than being told they should not waste much time on it. Professor Luepker said he has discussed the proposal with the Provost, who supports what the Committee wishes to do. He will also discuss the proposal with Senior Vice President Jones.

Some units have administrators who regularly attend other Senate committees, Professor Martin said; why are they being asked to come to this one? Professor Seashore said that any questions addressed to units must be clearly financial. Professor Konstan suggested the other Senate committees be invited to send representatives to the discussions that take place here.

5. Blue-Ribbon Committees

Professor Roe commented that the colleges all have blue-ribbon committees that are looking at financial issues. There is a lot of heterogeneity in the task forces; why does central administration not provide technical support people who can communicate with the committees? All the committees are made up of faculty from within the college, and one wonders if hard decisions will be made. Professor Luepker noted that the Advancing Excellence Steering Committee is supposed to receive the blue-ribbon-

committee reports, and that group is not dominated by faculty. He said he wondered about the timing in looking at them. He agreed that there is enormous heterogeneity in what the colleges are doing.

Professor Konstan said it is a cultural issue. This is a DIY culture that the faculty have created and they distrust anyone who's an "expert." It would have been useful to have expert help for the blue-ribbon committees—professionals who understand how to drive and support a strategic planning process—but it is likely the committee members would not have accepted the help. There is aversion to letting go of authority and letting others who know what they are doing do things.

That sets the context of what is needed for effective and appropriate financial change, Mr. Klein said. There are two questions: Given the mission and goals of the unit, what impediments does it encounter in achieving them; and what does the unit do each year to become more efficient and try to require fewer University resources to carry out its mission? Improving efficiency in carrying out the work of the organization is a task every unit should address. It happens in non-profits and in the administrative units such as marketing and accounting in corporations. When looking at what needs to be done and how to do the work, sometimes the answer is that the unit can do things more cost-effectively so it will expand its role. Sometimes the answer is that it should focus and give up responsibilities and resources. It's difficult to say "no" to something. Who decides a unit should not do the next task?

Professor Luepker adjourned the meeting at 4:00.

-- Gary Engstrand

University of Minnesota