

Minutes*

**Senate Committee on Educational Policy
January 3, 1991**

Present: Thomas Clayton (chair), Michael Handberg, Kenneth Heller, J. Kim Munholland, Clark Starr, Susan Wick

Guests: Professor Warren Ibele, Senior Vice President Leonard Kuhl

Professor Clayton thanked the members of the Committee for showing up on short notice for this extra meeting called to consult on the reallocation process. He then welcomed Senior Vice President Kuhl to the meeting.

Dr. Kuhl explained that he wished to inform the Committee about the status of the reallocation process, although the details of the plans will not be released until next week. He distributed a schedule of consultations on reallocation that will take place over the next few weeks.

He then reviewed the current budget situation, noting the projected \$1.2 billion deficit for the 1991-93 biennium (\$1.8 billion if inflation is included) and the \$200 million deficit for the current fiscal year. The University does not know what its share of the \$200 million deficit will be, if any, but any rescission will have to be approved by the legislature.

The University has made presentations to the transition team, of which Senior Vice President Donhowe is a part. The University is defending its base budget and has changed its formal biennial request. The request included \$54 million for instructional improvement, libraries, computers, and equipment, of which \$20 million was to come from reallocation and \$34 million from the State. The University has also indicated that its top priority is money for faculty salary increases--a basic cost-of-living increase (4.5%, or about \$80 million for faculty and P&A and for SEE expenses) and an additional 2% for faculty salaries because the University is still behind its peers on this measure (another \$18 million). It seemed prudent, in light of the State's fiscal straits, to reduce this original request of \$132 million, approved by the Regents, by the \$34 million for instructional improvements.

Dr. Kuhl then reminded the Committee of the letter from him, the President, and Mr. Donhowe calling on the colleges to plan for a 10% reallocation over the next five years. Unlike in previous years, the letter asked the units how they would provide the 10% but also to explain how they would use the money if they were allowed to retain it--the administration is serious about reallocation. If a unit's plans for the funds fit with the University's priorities--preservation and enhancement of quality of faculty and staff, preserve physical assets, increase the quality of instruction and student support, improve access to the University, continue the growth in research, increase technology transfer--it would be permitted to retain the funds. Also different is that the reallocated funds are not to be used for salary increases. In his judgment, use of the funds for salary increases last year was a mistake; as a consequence, few resources were available for new programs.

*These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

Since that letter went out, there have been meetings with the deans and vice presidents. Mr. Donhowe has asked units under his office for even larger reallocation targets (15%); it is the intent that 2/3 of those funds will be transferred to academic units. Depending on the college, the deans have either returned to earlier plans or have met with their consultative groups to evaluate what steps should be taken. The degree of consultation within the colleges about the plans remains a concern because it varies widely by unit.

The reallocation process has been speeded up; the original intention was to review the plans with the Board of Regents in February and March and to ask them to act in April. The schedule now calls for review in January and February and action in March. The reason for the accelerated schedule is the State budgetary crisis; the intent is to demonstrate that the University can act both responsibly and quickly and that it means business when it talks about reallocation.

The consultation plan calls for extended discussion on the campus between the two Regents meetings in January and February (as well as in the month before the March meeting).

Most of what will be dealt with in the next few months will be the actions to be taken in the next two years. Given the large percentage of the budget devoted to personnel, any actions must be taken with care and after consultation.

One unit which has received considerable attention is the Waseca campus, Dr. Kuhl noted. The general philosophical question about the University's role in two-year educational programs arises and one gets quickly into general considerations of higher education in the State. There is an opportunity for the State to look at regional planning efforts for 2-year and 4-year institutions, as prompted by the financial circumstances; it would be worth talking about a master plan for higher education. Consolidation of some of the technical colleges and community colleges could be considered, in the context of regional planning efforts. All of this would require a degree of cooperation between the systems that has not heretofore existed, although the academic officers have begun discussions along these lines.

None of this will be easy, Dr. Kuhl observed, and even though the process is being speeded up in reaction to the State's fiscal crisis, it nonetheless remains part of an ongoing planning process. The University continues to implement Academic Priorities, although it grossly underestimated the needs in CLA.

How much money will be taken from some units, and added to others, has not yet been decided. Some units will have to be closed down, although the academic needs of students will be met.

His worst nightmare, Dr. Kuhl told the Committee, is that the University receives a large rescission this year, an even greater one in the following year, and no inflationary run-ups. His view is that reallocated monies should not be put into salaries; it would probably be necessary to freeze salaries for a year or two if his nightmare came to pass. He acknowledged that others may have a different view and solicited the opinions of Committee members.

Dr. Kuhl was asked if there will be any initiatives or surprises from the other systems; will they have any new proposals that will be of concern to the University? He commented briefly on the plans of

the several systems, noting that the State University System intends to impose enrollment caps (and observed that some units within the University may have to consider the same step). How the systems will respond specifically to the financial crisis, he said, he did not know.

One Committee member inquired if there is any information available on the correlation between students and costs; considering the very small number of students who graduate in four years, does it cost more to have students attending the University for a long period of time, or is it only a drain on the students' time? Dr. Kuhi responded that it is probably both. The data in the study showing the low four-year graduation rate need additional analysis, he said, in terms of different groups of students. The number of credits taken, and student performance, also need to be examined; there are a number of factors all mixed together in those data that need to be separated.

There is a group of students who are clearly on a 4- or 5-year graduation track; there is also a huge population of students who are "just drifting" through the University, because it has few controls. These latter students are counted in institutional statistics, however, even though they have no intention of obtaining a degree. Then there is a large population of students returning for degree programs, people who are in the work force and who can only take a few credits per term, as well as a large group of students who need a lot of financial aid and who must work--and who also, therefore, can only take a few credits per term. These latter two groups are working toward a degree but will take seven or eight years to obtain it--how should they be counted, Dr. Kuhi inquired. There is clearly a statistics problem to be addressed.

One measure of success, however, in improving the quality of the University would be to increase the graduation rate. The overall number of 30-some percent is far too low. Duluth has improved its graduation rate, Dr. Kuhi commented, as has Morris. Morris's improvement is doubtless a reflection of the better preparation of the students; more and more students on that campus come from the top 10% of their high school graduating class.

As far as costs are concerned, Dr. Kuhi said, it is obvious that the many students who start at the University but do not graduate nonetheless add to the cost of operating the institution--more introductory courses must be taught, for instance. For those who graduate, there is probably no net increase in cost for academic programs, Dr. Kuhi speculated, but there are increased expenses for support programs when a student takes seven or eight years rather than four or five. Whether a student is enrolled for 5 credits or 20 credits, he or she still needs access to all the services provided by the University--so there is a net increase in costs owing to the large numbers of students who do not take full loads.

Is the administration looking at these issues, Dr. Kuhi was asked. It would be possible to define undergraduate education at the University as a four-year program and eliminate students who do not fit that mold, or else the University must accept the added cost and accept the student population. Dr. Kuhi said the University does the latter; the four-year program, except for a small number of financially-independent students, is a thing of the past--at Minnesota and elsewhere across the country. There are savings to be achieved, however, by imposing better controls on admissions, for instance; the new preparation standards should help.

In response to a question about the work of the Task Force on Liberal Education, Dr. Kuhi said it should continue to develop what it believes is the best plan. The financial situation may preclude its

immediate implementation, but if the recommendations are good ones the University can implement them over a period of years. Many things may have to be put on hold, he added, but that doesn't mean the University should stop trying to achieve them.

Some of the recommendations--standards and requirements--from the Task Force, Dr. Kuhi was told, may make the University more demanding--and could decrease the graduation rate, depending on whether or not students have access to required courses and have the required preparation. That problem exists now in CLA, Dr. Kuhi commented, in the cultural-pluralism requirement. The requirement may have been established without fully considering the financial implications. He also said that if the University intends to increase preparation requirements, it may have to consider performance in addition to courses taken as an admissions criterion. Some units already do this.

One Committee member noted that the Governor-elect has expressed an interest in making it easier for students to obtain their degrees in four years--something, it was noted, that would cost a lot more money. Dr. Kuhi expressed doubt that the goal could be achieved. One way to ensure it would be to provide financial aid to students (coming out of high school) in an amount sufficient to preclude the necessity of working while in college. That would be very expensive. The State has already failed to fulfill its commitment to provide half of students' financial need through aid from HECB.

On the other hand, it was pointed out, there are hidden costs to the University if its tuition is so high that many students must work. There must be some way to calculate an optimal tuition, it was argued. It may be that the tuition rates are too high and are actually costing the University money. Dr. Kuhi responded that they may be too low; supply and demand come together at some point, and increasing tuition will reduce the size of the student body, because some will be unable to afford the University and there will not be enough financial aid. The group that remains at the University would then graduate at a faster rate. But what would be accomplished by that change, Dr. Kuhi inquired.

What is occurring, however, is that students take longer and longer to graduate, and as a consequence the costs are increasing. Dr. Kuhi agreed, and observed that the University is lax in requiring progress; one way to address that problem would be to require of students a flat fee irrespective of the number of credits they take. A number of institutions have such a system; it certainly provides an incentive to take more credits. It also introduces difficulties for students who must work.

Another cost is that to the student, it was observed, when a student takes a long time to graduate. The University subsidizes students, in effect, because it lets them in at any time and lets them stay forever, so it must offer many courses and sections so that they can proceed in a "normal" manner. It would not be all bad if the University were to stop doing that, so a student would have to wait another year before a course is offered. There are elements of such changes in some of the unit plans, Dr. Kuhi commented.

There are also efficiency questions about modes of delivery of instruction. Most units do it the same way they have always done it; there have, however, been proposals to increase efficiency, although each costs money to try out. Asked if there are any plans to seek longer-term efficiencies in this respect, Dr. Kuhi said there are proposals in the works, such as through the use of telecommunications and two-way video. Language instruction is highly labor intensive as well and could be more efficient; language labs need to be examined for the possibility of handling larger numbers of students, each student working

at a terminal at his or her own pace.

Many of these items must be part of long-range planning. At present, however, the University is being forced by circumstances to focus on the next two years. Dr. Kuhi said he would welcome suggestions on how efficiencies could be achieved over the longer range.

One Committee member said that he found encouraging the comments about thinking on a statewide basis. The University ought to be the best educational institution in the State, and ought to have the best faculty, but the temper of the State does not permit such assertions to be made. As a result, the University has to define itself by research rather than by quality. One consequence, if the University cannot establish its distinctiveness, is that it cannot obtain the additional funding it needs; one possible solution would be to get rid of some of the institutions, of which there are too many in the State. Minnesota does not need 60-some institutions; the 1990s would be a good time to eliminate some of them, because many faculty will be retiring and the elimination and consolidation of institutions will be easier to accomplish. The University and the State would be in a better situation if there were fewer schools; there is not enough money to support all of them. If there were fewer institutions and the same amount of money, all of the schools could be better off.

Dr. Kuhi concurred and drew a comparison with California. There are 30 million people in California; for purposes of easy calculation, he said, assume there are 5 million in Minnesota, or 1/6 the California population. If that factor of 6 is taken as a measure of ability to pay, one can scale the number of institutions which should exist in California compared to the number in Minnesota. There are 55 two-year institutions in Minnesota, 8 four-year institutions, and 2 institutions with graduate programs (UM Twin Cities and UM Duluth). By Minnesota standards, California would have 230 [55 X 6] two-year institutions; it has 120. It would have 48 four-year institutions; it has 20. It would have 12 institutions with graduate programs; it has 9. Only in the last category are the numbers more or less in concert between the two states. By comparison with California, Minnesota is extremely over-extended in the other systems. There are significant inefficiencies in having this large number of campuses, some with very small enrollments. It may be possible to take advantage of the fiscal crisis to do something about these numbers, he pointed out.

In response to a question, Dr. Kuhi said that he did not know the percentage of people in California who go on to post-secondary education. He pointed out that percentage in Minnesota is not clear, either; the figure of 87% in Minnesota is one widely used.

The University has begun discussions with the community colleges about better coordinating transfers, Dr. Kuhi told the Committee. There are enough community colleges that a significant number of students should begin their college careers at one of them and then come to the University as juniors. Effecting that cooperation will require considerable articulation as well as ensuring that courses taught have the same content and level of difficulty as courses offered by the University.

One Committee member said that the University is chronically underfunded; every unit can demonstrate, in terms of its peer institutions, that it is underfunded by 25% to 200%. The University will either that situation worse or must perform "serious surgery": it must acknowledge that it performs many worthwhile functions but it simply cannot afford to perform them all any more. Even though many are of high quality and of service to the State, the University can no longer do them. It was pointed out that this

was the view of the Campbell Committee. Presumably everyone agrees that the central academic departments of the University--which tend to be the weakest, both academically and politically--must be preserved; is there a plan to "amputate perfectly healthy, wonderful units and just say `we can't afford it'?" Dr. Kuhi and members of the Committee discussed a number of programs--including those which are admittedly valuable and good--which could be candidates for elimination.

Dr. Kuhi said that there are plans for program elimination, although not along the drastic lines of either the Campbell Committee or others mentioned in the meeting. Some departments can be eliminated, however, as can some support functions. Aside from consolidation discussions in CLA, however, there has been no suggestion to close a viable department (such as Michigan did with its highly-regarded Geography Department).

One problem with closing a department, Dr. Kuhi said, is the tenure code; the University cannot let faculty go just because it eliminates a program. There is, it was suggested, enough overlap among units that faculty members could be reassigned and teach courses where there are now insufficient offerings. Dr. Kuhi agreed.

The comment was made that a number of senior faculty members will be retiring in the next few years; units which could be candidates for elimination are those where many of the faculty are close to retirement. If new faculty are appointed in those units, the University commits to tenured positions for many years. It has been suggested that hiring retired professors to teach courses could help optimize economy, professional experience, and instructional expertise at the same time.

Dr. Kuhi followed up the thought by reflecting that one way to accomplish budget reductions would be for central administration to collect all faculty vacancies--approximately 150 - 180 per year. This would amount to \$10 - \$15 million. The disadvantage to this approach is that it hits units on a random basis; on the other hand, the positions could be collected and reallocated where need is greatest. CLA now does this internally; would it be wise to expand the practice to central control over vacated lines?

One Committee member expressed tentative support for the idea. It is at least possible to have a larger view of the situation if the positions revert centrally--a perspective that recognizes University needs, needs which may not coincide with the needs or desires of a particular unit. It is important for the overall health of the institution that this broader view be taken. Looking at the situation from the center of a discipline, one cannot necessarily recognize what needs to be replaced or strengthened in broad (as distinct from local) perspective. On the other hand, "you tell the college what you really do need and then the college tells you what you ought to want because that's all you're going to get, and what you get in fact is the worst of both worlds." If the position allocations were administered with vision, both institutional and disciplinary, there is a real possibility of making things better.

Another Committee member expressed unalterable opposition to such a plan. The current strategy of pushing the units to make the decisions, it was argued, is superior to having decisions made for them. But, another individual rejoined, no unit will vote to eliminate itself. Dr. Kuhi agreed, noting that a campus-wide perspective is necessary if an entire college is to be closed. There appeared to be agreement, however, that the colleges should be the primary locus of decision-making about whether or not a particular department should be closed. Dr. Kuhi concurred.

Another Committee member observed that the administration's reclaiming positions would work only if there were a "hard nosed central plan." This University, it was said, has never had such a thing-- and without it, the institution is responsive to squeaky wheels and political pressure. Under these circumstances it is better to keep the positions distributed in the units so the squeaky wheels cannot get at them.

The other problem, of course, Dr. Kuhi said, is that the farther one gets away from the faculty in a program the less one knows about it. It is impossible to make the choices at a distance--so then one needs an advisory committee of faculty, which usually results in the faculty members' representing their own areas of interest. The only way this will work, observed one Committee member, is "if you're out to trash some departments" and the administration agrees on which ones they are. Then vacant positions can be collected and not returned to those units. Political realities on the campus, however, make it nearly impossible to implement such a plan.

Dr. Kuhi said that the University has also considered presenting to the State a plan, if needed, for how it would cut \$50 million out of the budget, in terms of what the equivalent of such a cut would be. It would be equal to cutting out two Crookstons and Wasecas, or perhaps CLA and IT; the latter would generate about \$80 million. This, he said, is the magnitude of the cuts that would have to be made. The point is not that CLA and IT will be eliminated, it is that in order to accomplish reductions of this size by cutting in other units it would be necessary to decimate the institution.

Dr. Kuhi was asked about the Campbell Committee recommendations that called for "regionalization" of some programs--sharing programs among states. He replied that there are some arrangements with Wisconsin, and Dean Holt is beginning discussions about setting up more cooperative ventures.

Even in times of cutting and hardship, it was said, improvements can still be made: one must push forward on some fronts while retreating on others. Is there a set of proposals which the University will go forward on, even if other things are sacrificed? Dr. Kuhi affirmed that there is. He emphasized again that there will be internal reallocations, many of which will represent enormous changes. The overriding themes will continue to control planning, such as improvement of instruction.

Dr. Kuhi was asked what criteria will be used to decide what will be cut and what will receive additional funding. In general terms, he said, college plans will be examined for how well they fit into overall goals of the University. Those include the items he had listed at the beginning of the meeting--strengthening the quality of the faculty and so on--as well as the Undergraduate Initiative. Asked if that "motherhood" list had priorities, Dr. Kuhi said it did; some units, for instance, do not have undergraduate instruction so would be unaffected by priorities in that area. The combination of priorities varies with the unit.

There seems to be a lack of general discussion about the large number of undergraduate students and what they need to earn a degree, what they must do to earn the degree, and what is important for the degree, maintained one member of the Committee. Those departments that are important for students need to be strengthened; those that are not need to be cut back. These are not the questions that are being asked, however; instead, there is attention (in documents such as CLA's "Agenda for Action") to such

items as the critical mass of faculty needed for a department. Dr. Kuhi said that the administration is trying to look at precisely these questions, especially Dr. Hopkins's office. Considering the number of students in CLA, for instance, and calculating the amount of resources it should have to handle that number of students, one concludes that CLA is millions of dollars short of what it needs. New faculty members are required, as are support staff and advisers. CLA also needs to reduce its student numbers, because it simply cannot handle the numbers it now has. Dr. Kuhi commented that as enrollments have decreased, the one unit that needed to shrink--CLA--has not done so. IT, in contrast, has reduced its numbers noticeably, about 40%, while at the same time reducing its numbers of graduates only slightly, about 5%. The latter phenomenon is probably a reflection of better preparation of students who enroll and could presumably be duplicated in CLA.

There is still the issue of access, however, Dr. Kuhi observed. He said he preferred to think of the question as access to higher education in the State; many think of it only in terms of access to the University. It is less important where students come to the University from; it is more important that they graduate once they have enrolled here.

Dr. Kuhi told the Committee that he and the administration would welcome any suggestions it might have about the plan, once it has had a chance to review it. Professor Clayton promised that it would be on the SCEP agenda on January 24.

Professor Clayton thanked Dr. Kuhi for joining the Committee.

The Committee adjourned at 5:00.

-- Gary Engstrand

University of Minnesota