

Minutes*

**Special Meeting
Senate Committee on Educational Policy
March 15, 1990**

- Present: John Clark (chair), John Clausen, Robert Jones, Karen Karni, J. Kim Munholland, Gary Nelsestuen, Aron Pilhofer, Jennifer Wesson
- Guests: David Berg (Management Planning and Information Services), Associate Vice President Edward Foster (Academic Affairs), Ken Jansen (Regents' Office)

Professor Clark began the meeting by announcing that today's session would be devoted to receiving information about the report of the Tuition Study Group; the breakfast meeting tomorrow morning would be devoted to a discussion of the information and possible SCEP action. He welcomed Mr. Berg and Associate Vice President Foster to the meeting and thanked them for coming on short notice.

Professor Clark opened the discussion by informing Mr. Berg and Dr. Foster that the Committee had no problems with the health science professional school or Department Masters' rates, with banding, or with the recommendations about increasing student financial aid; the Committee's concerns were exclusively with the uniform undergraduate tuition. Specifically, the Committee is: troubled by the justification, with data, for the need for change; concerned about the benefits identified in the report actually materializing; and concerned about effects on retention and on access to the University. Another issue identified was possible or expected shifts in enrollment among the colleges if the change is to be implemented.

Mr. Berg began. He noted that the only really controversial item in the report was the recommendation calling for a single undergraduate tuition rate on each campus. This change, if made, would differ from the present tuition structure in that at present there is a single lower division rate for all campuses and differentiated upper division rates on the three senior campuses.

A point that has been overlooked, he pointed out, is that recommendation calls for separate undergraduate rates by campus. The study group report says that this is not an abandonment of cost-related tuition; it is instead--on the analogy of insurance pooling--a matter of pooling at a more aggregated level. Instead of pooling at the upper division level of students in CLA or in Agriculture, one pools all undergraduates on the campus and considers what their relationship is to the cost of their instruction rather than what each of the smaller pools costs.

The implication of this, applying by campus, is that the cost of instruction at the Crookston and Waseca campuses will be run "clear out of sight"--and out of the market. It is impossible to follow the study group's recommendation in that area and it will need to be modified. They are presently trying to develop an approach which adjusts to practicality--and the present system does that as well, he noted.

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It is not, Mr. Berg emphasized, a matter of saying that "cost does not matter" or that the University should not recover a certain percentage of instructional costs. The University must do that, by state law. The question is who pays it; these recommendations modify the approach to who pays. The 1979 Regents' Policy, under which the University is now operating, says that rates for all student assessment groups move toward the overall rate of the University system--33%. Thus those students paying more than 33% should receive lower increases; students paying less should receive greater tuition increases. The study group recommendations imply the same thing but on a much smaller number of classifications of students.

There are, Mr. Berg said, two kinds of arguments which can be made in regard to the proposed change. One is the equity argument: For certain types of students, this proposal makes what is now perceived as an inequity a greater inequity. CLA students today pay considerably more than 33%; lower division students under this plan, *ceteris paribus*--if we changed today--would pay an additional 12% on their rate. The percentage of their instructional costs would rise, from the current 37% (roughly) to about 41%.

On the question of equity, the study group said that the University has tried to establish equity on too narrow a set of classifications and some damage is being done as a result. The argument that it is doing damage, he said, is uncontroverted; no one argues with that. The University has put Agriculture, Natural Resources, and to some extent Biological Sciences into a cost spiral: In order to maintain a movement toward the 33% their rates keep going up; students then try to avoid registering in those units and stay much longer in CLA; there are then fewer students in those units, making the cost per student higher, making the rate go yet higher, and so on. No one argues that the problem does not exist; the argument is how it should be solved.

The problem would be solved by a single upper division rate and a single lower division rate--that is another alternative which the study group looked at but did not vote on.

The second argument has to do with using tuition policy to achieve the University's policy goals. This in turn has two sets of issues, one of which, Mr. Berg said, he could address; the other is one anyone could have answers for. The first has to do with policies which are subject, to some degree, to quantitative analysis--where one can look and see what may happen. The second is "mood" arguments--that a single rate will create a "community" on the campus because everyone will be treated alike. There is even a quantitative element to this second set of arguments, in a way, he said; the student members of the study group voted for the proposal only on the condition that the administration would commit to increased access to advising, to counseling, to certain sorts of courses. Mr. Berg said he would defer to Dr. Foster on those issues.

The arguments which are subject to some sort of quantitative analysis are these:

(1) "Other schools do it." Mr. Berg said he "rejected this out of hand"; it is about a 40%-60% division. This is, in his judgment, a shallow argument. There is no point in Minnesota's doing something "because other schools do it."

(2) "It would be simpler." "Absolutely beyond question," Mr. Berg said, the single undergraduate tuition would be simpler. It would reduce work in his office as well as that of the Registrar and the

Budget Office as well as probably a lot of others. One should assess that benefit according to one's own lights, he advised; by itself, he added, it is not a convincing argument. It would also make things simpler for the student, he observed, and make it easier to plan.

(3) The argument, unfortunately, on which the report makes its major argument, Mr. Berg said, is that retention would be improved by a single rate. People said that students were not going into upper division colleges because it costs too much; if the University reduces the rate for upper division colleges, therefore, students will be retained. Neither he nor Dr. Foster will argue about whether or not price has an effect on purchase of a product or service, he said; all things equal, if you raise the price fewer people will buy it and if you lower the price more people will buy it. What was not carefully thought out, in his opinion, was that when the price is reduced for some students it is raised for other students.

Looking at the students at the University today (Fall Quarter 1989), by classification in the system, the price would be lowered for 10,773 upper division students. The price would be raised for 6,513 upper division students, almost all of them in CLA and GC (and a few students in other units). That, of course, is a net gain; 10,000 have the price reduced and 6500 have it increased. There are also, however, 12,999 continuing freshmen and sophomores; they would all have their tuition increased by approximately 12% (these are not new freshmen but rather students who had been at the University previously). So the net effect on retention, as nearly as his office can estimate it, will be negative. Across all students, retention would be decreased, not increased.

In addition, there were about 6900 new freshmen from high school who would also have been paying a 12% higher rate had the proposal been in effect. Mr. Berg reported that his office has done studies, and other institutions have done the same studies, on the elasticity of demand of college students. They have found that new entering freshmen--first time entrants to the system--are almost three times as sensitive to price as are students already enrolled. This is not counter-intuitive; people here already have an investment and are less likely to be sensitive to price. These results have been found with repeated studies. The effect, therefore, on freshman access under the proposal will be almost twice as great as the retention of current students. While this kind of access was not discussed by the study group it is certainly something that should be considered.

Asked if he could put a number on how many students would probably not attend the University if the change were made, Mr. Berg said he could do so but warned that he did not want to be tied to them because the analysis is imperfect--but it would provide a general indication of the likely impact. The model they used predicted that the University would have retained 191 more upper division students, would have "priced out" 322 lower division students (currently enrolled, not entering freshmen), and would have discouraged 468 freshmen. (These numbers are for the system.) That is based, he pointed out, on a set of elasticities which could be argued, so the absolute numbers are not important.

Asked to clarify, Mr. Berg explained that there would be improved retention in areas where the price would be reduced. 10,773 upper division students would see a price reduction and 6513 upper division students would have it increased, he repeated, and 13000 would have it increased in lower division. So total retention and enrollment would be decreased, by his estimates.

What assumptions are made about those 468 who would not attend, Mr. Berg was asked. Would they go to a college elsewhere in Minnesota? Mr. Berg said that one argument made by the study group

assumed exactly that; he said he assumed most would go into the community college system.

(4) The fourth argument the study group made was that financial disincentives affecting program choice would be removed. There is a sense in which that is true, Mr. Berg conceded, in that a student could choose any upper division college and pay the same rate. However, one must also consider the fact that the current incentive system is changed--while the disincentive is removed for some students, it is increased for other students. The student whose ambition is to go into Biological Sciences or Agriculture has the disincentive lowered; the student whose ambition is take a degree in liberal arts has the current incentive reduced--he or she will, by their estimates, be paying in the long run 10% more for the degree.

It looks nice, Mr. Berg observed, because the price is the same. But every price structure, whether even or differentiated, has a set of incentives built into it. When the price structure is changed--whether to make them diverge or come together--you change the incentives.

(5) The fifth argument made by the study group was that students would be encouraged to shift to the community colleges for lower division work. There is no question, Mr. Berg said, that they would be so encouraged; the only question is whether or not that is the University's policy. It is certainly the University's policy to encourage students who would be better served in the community colleges initially to go there. It is not so clear, at least to him, that it is the University's policy to price them into the community colleges.

(6) The final argument made is that the recommendation is "consistent with educational policy." It is consistent in a number of senses, perhaps, Mr. Berg said; everyone must make his or her own assessment of exactly what educational policy the recommendations are consistent with. If the policy is not to have any price differentiation which forces a student--apparently--to make a choice of major based on price, then this is consistent with that policy. If the argument is that it is consistent with a policy to reduce enrollments, it is true that this change favors enrollment reduction. If the argument is that it is consistent with a policy to force students into the community colleges initially, it is consistent with that policy.

One Committee member expressed doubt that this or any other policy would serve as a disincentive for a student to pursue a certain major--with the possible exception of costly professional schools such as Medicine. Mr. Berg clarified that this proposal would not apply to the post-baccalaureate professional schools. He then related that he had attended a debate at which the CLA Student Intermediary Board representatives took issue with the administration representatives on that very point. They argued, he said, that the financial disincentive at the upper division is not great enough to deter a student from pursuing a degree he or she really wants to obtain. Mr. Berg said he didn't know the answer to that point; his only argument is that to the extent there is a disincentive, reducing the price will reduce that disincentive for those who get the lower price and raising it will raise another disincentive for those who now have a lower price. Whether or not the whole argument is specious, Mr. Berg acknowledged, he did not know.

What cannot be argued with now, in his opinion, Mr. Berg said, is that students are remaining in CLA, for instance, when their long-term ambition is not to graduate from CLA but from Agriculture or Biological Sciences. Everyone says that a student who wants to take the kind of instruction that is offered on the St. Paul campus ought to be encouraged to be over there taking it there. We know that that is not

happening--and that is a problem. Mr. Berg said he maintained that the problem is solvable by means other than a single undergraduate tuition.

One Committee member said he concurred with the point but observed that if a 12% price difference is a disincentive for a student to chose a major, then that student is picking his or her major for the wrong reason. Mr. Berg concurred.

Another Committee member inquired if Mr. Berg could say anything positive about the report. He responded that it would make things simpler and it would solve the problem just alluded to about enrolling. Mr. Berg confirmed that he saw a great deal of positive in the whole report--he supported almost all of that.

On simplicity, Mr. Berg added, the University confronts its students with a bewildering tuition schedule; it is hard to know how they ever figure it out. There is much to be said for simplifying that schedule.

On the question of redistributing students to the community colleges, one Committee member observed, price is one way to accomplish that objective--if that is the objective. Mr. Berg was asked if he thought it was an acceptable way to do so; Mr. Berg replied that that was an educational policy matter, although his personal opinion--and it was only that--is that it is not an appropriate way to do so.

Mr. Berg was asked if there was a breakdown by college of where the students priced out and discouraged would come from. Mr. Berg said he could provide the numbers predicted by the model and again cautioned that the exact numbers should be taken with a grain of salt. The retention numbers by college are:

275	fewer in CLA
41	additional in IT
12	additional in Agriculture
7	additional in Natural Resources
27	additional in Home Economics
7	additional in Architecture
14	additional in Biological Sciences
55	additional in Education
37	fewer in General College
4	additional in Medical Technology
8	additional in Nursing
7	additional in Occupational and Physical Therapy
13	additional in Management
2	fewer in University College

Other changes would occur at the coordinate campuses.

Mr. Berg was asked about the decrease in overall retention: If put into place, would there be a transition period so individual students not accustomed to the tuition structure would not attend? Has he projected what would occur two or three years after the proposal had been in place? Would retention then

be improved? Mr. Berg explained that the model he had used was based on what would happen if the proposal were adopted immediately, with no transition period. He said he would guess that the results over a transition period would be less severe. Dr. Foster, noting that he had doubts about the model in the first place, concurred that it was likely the projected effects would be reduced. Mr. Berg also said that he doubted there would be an increase in retention no matter how one looked at it; if phased in over a long enough period, he speculated, there might be no decrease--because the best research about tuition structures says that the change itself discourages students, not the amount: No matter what the change in tuition, the following term students take fewer courses.

Mr. Berg said, in response to a query, that his model could not forecast how many of the 468 students discouraged from attending the University might be minorities or disadvantaged students.

One Committee member asked if the 468 would not be pushed entirely out of higher education because the community colleges were full; neither Mr. Berg or Dr. Foster believed that the community colleges are full, although they are crowded, and none has an enrollment cap.

With that, Professor Clark turned to Associate Vice President Foster, who said he assumed his assignment was to inform the Committee about what led the study group to recommend a single rate; he distributed a sheet summarizing the arguments from his perspective.

He said he wanted to talk about three parts of the recommendation separately and then to mention where he differed with Mr. Berg on the numerical analysis.

Dr. Foster said he wished to talk about getting to a single undergraduate rate in two steps by first talking about a single upper division rate and then, as a second step, moving from single upper and lower division rates to equalizing the two. Thinking it about it this way, he said, helps.

The single upper division sends students to the right colleges. Equal upper and lower division rates sends lower division students to community colleges and, in his view, removes a retention hurdle for students already enrolled. Then, providing greater access to courses and student services uses the tuition policy as a lever to do something the University should do anyway but not something that has been done or that the University has been able to do through the normal budgetary process. This presents an opportunity to do what is right, by getting the President to sign on in the first place that the University will do it. That is an important advantage.

The single upper division rate sends students to the right colleges, where they will get advising, the co-curriculum, access to whatever internships the college has, and a community to belong to. Biological Sciences, he reported, just completed an analysis of students in CLA, looking at them individual by individual, who identified biology as their main interest and who are seniors and found that there are 250 such students who have not satisfied the lower division CLA requirements. One inference, Dr. Foster pointed out, is that those students are not planning to graduate from CLA--because they haven't met lower division requirements. Those students have access to advisors in CBS but do not take advantage of them. They do not have access to the co-curriculum; they are not part of the community of future biologists. And 250 students, Dr. Foster observed, is a lot of students for CBS; it graduates 150 per year with a bachelor's degree. This study, he said, was their way of getting at the question of how many people are there in CLA who probably should be in CBS.

Dr. Foster said, in response to a question, that he did not know how many people in CLA at that stage had not completed their distribution requirements. CBS is convinced, he said, that there are a lot of students who stay in CLA. Asked how many there are and how they know, this is how they analyzed the information. (Dr. Foster related a story of one student, majoring in CLA and majoring in biology, who didn't even know there was a College of Biological Sciences. This speaks to the problem of communication and advising, of getting students into the right community for their career--and that is important, Dr. Foster said.)

The fact of vacancies on the St. Paul campus is important--not only because there are resources there which should be used, but they are also in areas that are important to the state, such as biological sciences and agriculture. These vacancies also inflict a cost on the Minneapolis campus to have those unused resources in St. Paul--costs of having students using CLA advising, space, more crowding. Another problem just brought up is that it causes problems for the University in its capital requests to the legislature: When there are under-used classrooms and other facilities on the St. Paul campus it makes it that much harder to persuade the legislature that the University needs more space on the Minneapolis campus. "Use what you have more effectively," he said, is a counter-argument.

Dr. Foster was asked if mobilization of those constituencies for support for the University in the legislature is one of the expected results of this proposal. Was it considered--was the notion of strengthening support from agricultural interests, management interests, an arguing point for redistribution of students in this way? Dr. Foster said he had never heard the argument before that morning, when a staff member in Agriculture had related to him that people from outside the University, having heard about the plan, had inquired if that meant tuition in Agriculture would go down. The answer that had been given was that it meant tuition in Agriculture would rise less fast than in other units. Somebody, Dr. Foster said, has conveyed the message outside the University--but it was never considered in the study group.

The downward spiral of enrollment in Agriculture and Natural Resources, however, is a significant issue, he added: Lower enrollment leads to higher tuition which in turn leads to lower enrollment.

The question of equity among colleges is not so straightforward as it seems, Dr. Foster commented. It is true that on average the cost of education in CLA is lower than the cost of education, on average, in IT or Agriculture. But within Agriculture a major in agricultural economics costs much less than a major in animal science. Within IT, a major in math costs much less than a major in chemical engineering. Within CLA a major in psychology costs much less than a major in German, where classes are small. This is in part a phenomenon of class size and in part of expensive laboratories and animal care requirements. To differentiate tuition by college, he pointed out, does not mean that the system becomes fair. There is more dispersion within some colleges than there is among the averages; it is not that the problem of inequity is solved.

One way to consider the issue of the single upper division rate versus the current system, Dr. Foster suggested, is to consider a restaurant that offers three courses:

- Salad (corresponding to lower division)
- Main Course (corresponding to upper division)

Dessert (corresponding to graduate education)

Here is the pricing system and the menu:

For salad, one can have (at a price of \$2.50 no matter which you choose):

- a wedge of iceberg lettuce
- canned three-bean salad
- shrimp with avocado
- radicchio with goat cheese.

The \$2.50 is based on the average cost of all choices.

For the main course, one can have:

- (\$5) hamburger
- (\$5) steak
- (\$10) meatballs and spaghetti
- (\$10) pheasant

The \$5 (e.g., CLA) and \$10 (e.g., CBS or IT) represent the average cost for the two items in each category of choices.

For dessert, one can have (at a cost of \$3 no matter which you choose):

- a dish of applesauce
- a banana
- crepes suzette
- raspberry mousse with chocolate truffles

This, Dr. Foster said, is how the University's tuition policy is structured. For lower division or graduate school there is no differentiation by cost of program. For upper division (the main course) the University differentiates--but not really in an accurate way. It does not make a lot of sense, Dr. Foster said, to do that.

The disadvantage of a single upper division rate versus the current structure is that CLA students will pay more (this will not be true for General College students, who will all be lower division within a couple of years).

Is it then a better idea to leave it at low tuition for lower division and higher tuition for upper division? Or is it better to equalize them? He supported equalizing them but said that the argument is not a compelling one, in his opinion. The University has a lot of drop-outs, people who do not show up after the freshman year or who leave part-way through the sophomore year; there are fewer who leave after they reach upper division. The University is not really geared to lower division education, Dr. Foster commented, and he said he does not find it objectionable to shift a little bit more of the costs to those who do not complete the program compared to those who do. If lower and upper division are equalized, this

shift in cost is achieved.

One problem with an equalized upper division rate is that it creates a barrier for the CLA major that they cannot avoid. Even if one goes to a community college for the first two years, he or she still has to pay the extra cost once they come to the University for upper division work. If, however, the cost is equalized, the student has a choice: He or she can pay the entire University cost, starting as a freshman, or if that is too expensive, he or she can attend a community college for two years and only pay the higher cost for the last two years. Moving to an equalized rate gives students a choice of avoiding the higher cost being loaded onto CLA students.

Another point he only learned of that day came from Agriculture: They find a significant number of students who will deliberately slow down their progress toward graduation when they near the 90-credit mark--in order to avoid moving into upper division and paying the higher rate.

The disadvantage of the single undergraduate rate is the access problem. Given the University's goals in recruiting minority students, many of whom are also low-income, the change will require the commitment of more resources to financial aid for them. If the proposal is accepted, the University must also take on that commitment of more financial aid for minority students. The University has adopted a policy of recruiting more minority students and will not back off from it. The other group to be concerned about is top students who should be at the University rather than community colleges but who cannot afford to attend; the proposal will also require more of a commitment to need-based aid for honors students.

The issue of access to courses is a quid-pro-quo for CLA students. That was a proposal advanced by students to tie the two together; Dr. Foster said he thought it was a good one and gives the University the chance to do what is educationally sound anyway.

Dr. Foster pointed out that access to the University is not quite the issue it may appear to be. There are enrollment limits in place now so it is not a question of fewer students who will be admitted; there are already more qualified students knocking on the door than the University can accept. For as long as the enrollment restrictions are in place (at present planned until 1993) there will be no effect on numbers. The University does not, Dr. Foster said, have plans on what to do about enrollment after 1993, but he believed that the likely policy will be to link resources to numbers of students and that there will not be increased enrollment unless there are new resources. This proposal, therefore, does not mean fewer students; it means that those who are sensitive to price will not attend the University as freshmen except as financial aid is structured to ensure that target groups will be able to do so.

One Committee member inquired about the 12-2 vote on the study group: Were the votes cast by those representing their own interests, and given the non-democratic nature of the appointment of the study group would a different group have led to a different outcome? Dr. Foster recalled that there had been an earlier study group, appointed by President Sauer, which issued its report after President Hasselmo was in office. That earlier group had recommended the two-tiered tuition, single lower and single upper division rates. Some individuals on that first study group objected on the grounds that there was insufficient representation of faculty and students. Rather than accept the report, President Hasselmo reconstituted the study group and added two more faculty members and four more students. Dr. Foster acknowledged that the process by which the reconstituted study group reached the final recommendation

was "not a smooth, logical, or pretty one." But in the final vote, the people who voted against it were an administrator and a post-baccalaureate student, neither of whom would be affected by the policy. Mr. Berg commented that in his opinion the undergraduate students did not vote their personal interests--they were very objective and that is not open to question.

Another Committee member expressed concern about the low number of faculty on the study group (faculty being defined to include administrators who came from faculty ranks) and the great proportion of "administrators." Mr. Berg said that if the administrators who hold faculty rank are included, there were seven faculty (out of 20) on the study group. Why, it was inquired, on an educational policy matter such as this one were the faculty in such a minority? The faculty are the ones who are concerned about this issues. Dr. Foster pointed out that the President is concerned about educational policy, too, and that he appointed people who he expected had the interests of the institution at heart. It should nonetheless have included more faculty, it was argued, people who are working with the students; the administrators--who are all capable and good people--should be resource staff.

Dr. Foster was asked what the result would be if the proposal were implemented and achieved the goals established--and students do begin to discover that there is a College of Biological Sciences. What will happen to the distribution of resources in the institution? Dr. Foster replied that it would depend on how many student transfers occurred. Would it not be possible, he was then asked, that rather than enhancing the resources of CLA so that its teaching can be "richer," things could go in the opposite direction? That other colleges would rightly make a case that they needed more funds because, for instance, the number of their majors had suddenly doubled or there was a flood of CLA students into upper division Management courses? Dr. Foster responded that he did not believe that tuition alone would make that dramatic a difference in enrollments.

Would it be fair to conclude, then, Dr. Foster was asked, that nothing much would happen except that the cost of tuition would be distributed a little differently? That access to advising and courses, the shifting of majors, would not really change all that much? Dr. Foster said that the President treated the proviso about greater access to courses and support services very seriously. It was suggested that the Committee had been advised that those opportunities are already available; Dr. Foster demurred. He said he did not know exactly where the changes would occur; he reported that one of his assignments is to try to determine what can be done and over what period of time in order to come up with an estimate of how long it should take to phase in the proposal if it is adopted. The trouble spots he was aware of are the School of Management (where the number of majors has been reduced from 1500 to 750 and have not provided access for business minors). Academic Priorities called for this reduction but also called for a minor in Management for students who want it; this latter step has not been implemented. There is friction between Agriculture and Management over access to courses for ag-business majors; Agriculture has had to adopt the admissions standards of Management, which is over 3.0. In CLA people invented their own majors and structured a few business courses into them. A serious problem in CLA--which may not be susceptible to solution--is the number of students who want to take enrichment courses in Music and Studio Arts; those courses always close early. Another problem area is access to Computer Science courses. Questions such as these, Dr. Foster said, must be answered before the Regents can be asked to sign on to the proposal.

One Committee member recalled that costs for CLA students would be increased (about 12% for continuing lower division students and about 7.7% for continuing juniors and seniors). One definite

implication of the proposal is that there will be an added burden on those students which will have to be financed by student loans or by work--which many faculty already think students do too much of in order to pay for their education. The other implication is that this is an attempt to make other areas of the University relatively more attractive. It seems unlikely that CLA will be able to make a case for more resources even though it does much of undergraduate education. Dr. Foster pointed out that one question is whether or not there is excess capacity in those other parts of the University. If so, is tuition policy to be used to try to fill up those spaces or is there a question of whether that excess capacity is needed? The question, Dr. Foster responded, is whether or not funds will have to be taken away from CLA to accommodate more students in other colleges. So there will be a slight benefit to CLA, it was commented, because some students will migrate to other colleges but CLA will not have funds taken away.

CLA, it was concluded by this Committee member, does not gain in any way from this proposal. Dr. Foster maintained that this proposal would not be the only thing happening at the University next year and inquired if CLA had to gain as a result of every change that is made. Other changes in the budgets are benefiting CLA, he added. This elicited the comment that "I have been here for 25 years and I've lived with the pie-in-the-sky for 25 years and I'll believe it when you produce it." Dr. Foster replied that over the last two years CLA has had net budget additions.

Another Committee member observed that the way this plan was sold to CLA students was they would have opportunities for classes and services that have previously been restricted, and while CLA does not necessarily have to benefit from every change, the plan was nevertheless sold on that basis. It is the case, however, that the proposal has nothing in it for CLA students--even though some say it does. It simply redistributes the cost of education. Dr. Foster responded that he agreed there is a negative impact on CLA, which is to some extent modified by the quid pro quo; he said he would not argue that the negative impact is completely offset; instructional costs for CLA students will never be the same as for students in other units. Mr. Berg pointed out that if the University invested the same amount in the instructional costs for each student, the result would be a uniform undergraduate tuition.

Then, it was argued, the proposal should be sold on the grounds of equalizing tuition rather than educational policy because it appears educational policy doesn't make much difference. Dr. Foster said that depends on what policy one is talking about. The issue of access to courses was emphasized when talks with the CLA Student Intermediary Board, but study group members, he said, would not argue that the benefit equals the cost. It is unfortunate if any claim has been made that CLA students would be better off. There are, however, benefits to getting CBS students out of CLA, leaving more advising resources for CLA students. Space pressure is relieved and there is also the result of placing the University in a better position to request capital improvements for the Minneapolis campus. But those are not the main arguments for the proposal. A much more important one is getting students into the college where they belong.

Dr. Foster was asked if the study group, as it considered the proposal, saw it as a part of the Commitment to Focus or Access to Excellence; he said that several arguments made for it are consistent with the increased emphasis on upper division and graduate students and with doing a better job of educating at all three levels with the resources freed up. This proposal helps move in that direction, he said, although the change could be made without this proposal as well. The way the University excludes lower division students at present is by closing the admissions window--the date on the application. This

proposal will have an impact on which students get into the University, he reiterated, but not on the total number who enter: Those who can afford to pay will be more likely to come, and to guard against the worst effects of that change there will have to be increased financial aid.

Dr. Foster was asked how fast there would be increases in student financial aid; the report implies that these might come some time later. He said he did not know what would actually happen; there is considerable political pressure created by a publicly-announced objective on minority enrollments. To adopt a policy which makes it more difficult to reach that objective will make the argument for increasing financial aid a much stronger one.

Mr. Berg was asked if anyone could reasonably argue that the composition of the study group would be biased, and thus the result. Mr. Berg said that he would not make the argument and doubted anyone else could. Dr. Foster recalled a comment by President Keller that one will never lose an argument on the substance; it will always be made on the process. He added that he was sure that arguments against the process would be made in this case as well.

Another comment was made that there is great variation in contact hours among the colleges--as much as 3.7 times greater in one unit than another. Does the current system reward that greater contact--a unit can charge less for its credits because much less time is given. Dr. Foster agreed it could probably be argued that a tight budget forces a unit to lower the contact hours per credit--or at least encourages it.

Asked how much savings would result from the simplification which ensues from the proposal, Mr. Berg and Dr. Foster agreed there would likely be none or very little. Mr. Berg suggested that units now spending time on the complications of the present system would probably give better service in other ways. So the true educational policy argument is that the proposal gets students into the right college. Both Dr. Foster and Mr. Berg concurred, although Dr. Foster pointed out that uniform upper and lower division rates would accomplish the same end. Mr. Berg said everyone acknowledges that that is a problem and that either approach would go a long way toward solving it. Dr. Foster repeated his preference for the uniform undergraduate rate because the two-tiered system would create a very high barrier for CLA students to have to climb over when they reach the upper division. Dr. Foster said he would not argue against the two-tier rate but preferred the uniform rate because of the impact on CLA students.

Professor Clark thanked Dr. Foster and Mr. Berg for their time and the discussion. Professor Clark also reminded Committee members they would meet for breakfast the following morning to decide what they wished to do.

The Committee adjourned at 5:15.

-- Gary Engstrand