

Minutes\*

**Senate Committee on Finance and Planning**  
**Tuesday, October 21, 2008**  
**2:45 – 3:45**  
**238A Morrill Hall**

Present: Judith Martin (chair), Joao Boavida, Steve Fitzgerald, Lincoln Kallsen, Kara Kersteter, Lyndel King, Thomas Klein, Joseph Konstan, Russell Luepker, Mikael Moseley, Kathleen O'Brien, Paul Olin, Richard Pfutzenreuter, Terry Roe, Michael Rollefson

Absent: Jon Binks, V. V. Chari, Steen Erikson, Adam Faitek, Justin Revenaugh, Gwen Rudney, Karen Seashore, Thomas Stinson, Michael Volna, Warren Warwick, Aks Zaheer

Guests: Provost E. Thomas Sullivan

[In these minutes: (1) discussion with Vice President Pfutzenreuter; (2) financing graduate education with Provost Sullivan]

**1. Discussion with Vice President Pfutzenreuter**

Professor Martin convened the meeting at 2:45 and closed the meeting for a discussion with Vice President Pfutzenreuter on various topics, including the upcoming legislative session and budget forecasts and balances. He also mentioned that the issue of 27 pay periods during fiscal year 2009-10 will be back on the Committee's agenda in the near future.

**2. Financing Graduate Education**

Professor Martin welcomed Provost Sullivan to the meeting to discuss financing graduate education. The issues that had been posed for the discussion were dissertation credit tuition revenue, and the models/best practices at other top-ten large public research universities in terms of tuition, stipends, health care, etc.: whence the dollars and how do they flow, at college and department levels?

Provost Sullivan began by saying that these questions need greater study and explication in the Graduate School. Typically, a graduate student pays for 24 thesis credits, and if the student is being paid on a grant, the grant pays for those credits. The department pays when the student is a TA, Professor Martin noted.

The Graduate School receives about \$470,000 in tuition revenue each year. A graduate student paid on a grant costs the grant salary, fringe benefits, and tuition, and the faculty ask why they must pay tuition for a graduate student to work in the professor's own laboratory, research project, etc., in addition to salary and fringe benefits. Provost Sullivan said he did not know the answer and suggested the Committee ask Dean Dubrow and Associate Dean Green to trace the funds and to report how they are used. He also agreed that it would be useful to have comparable data from peer institutions, although the comparisons might not be perfect because of different budgeting systems.

---

\* 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.

Mr. Rollefson said one question is the market: Graduate students are provided a stipend, fringe benefits, and a tuition benefit; if the University does not provide them, it will not be competitive with other universities in attracting graduate students.

Professor Konstan said he did not understand how thesis credits differ from tuition. When a student is supported by a grant, the effect is to take NIH or NSF dollars and put them back into the college to use for its budget. One can say that is an artifact, because it is not classroom instruction, but the thesis credits do cover the cost of education. He said he thought the question was whether the money should go to the deans of the colleges in which the departments sit to allocate like other tuition income or to the Graduate School to more directly support graduate programs. A fundamental question is whether the Graduate School is a budget-model college that should collect revenue and spend it on programs. Mr. Rollefson pointed out that the Graduate School does not collect tuition; all graduate-student tuition goes to the colleges. If there were no dissertation credit charge, there would be a revenue gap. The thesis credit tuition recognizes graduate-student claims on faculty time, Professor Martin observed, and it's the only way for the University to receive revenue for that faculty time.

Professor Roe said it would be useful to look at the data to be sure the budgeting system does not discriminate against a unit with a large number of TAs versus one with a large number of RAs. Otherwise the University is taxing research budgets for units with a large number of RAs. He noted that in the area in which he works, some federal funds cannot be used to pay tuition for graduate students, so they make other arrangements within the rules. Ms. Kersteter reported that in Economics they have public-private partnerships but do not use the income to pay tuition, so they must scramble to find funding for RAs. The money would be spent at the University in any event, Professor Roe remarked, so it is simply moving money from one pocket to another at the higher levels of administration but not at the department level.

Provost Sullivan agreed with Professor Roe that the question should be looked at as a policy issue, which might be significant or it might not. The Committee must have the data, in any event. It is possible to get inequities in a system with a common rule, Professor Roe said.

Professor Konstan said he did not understand why this is a special case. If a graduate student is charged tuition, the money goes from whoever pays the student (department funds for TAs, faculty grants for RAs) to the colleges. This feels like a direct consequence of the budget model, in which tuition goes to units to pay faculty salaries (for example). There is an inequity across the system, and the undergraduate and graduate level, in tuition versus thesis credits. The University has a system with certain things that are difficult to deal with. Units could use block grants to pay tuition remission to cover sources that do not pay tuition.

Mr. Klein recalled that Professor Roe has asked in the past about the sustainability of graduate programs around the University, given funder restrictions and increases in costs. Part of the issue, Professor Roe said, is that some research programs are more equipment-intensive while others are more labor-intensive. When there are budget cuts, the money comes from the GA support.

Provost Sullivan said he would formulate the research and policy questions and send them to Dean Dubrow and copy Professor Martin and Mr. Rollefson. In this correspondence, Provost Sullivan also will try to identify the policy questions and the trade-offs involved. He recalled that during the strategic-positioning process, they added funding to the Graduate School; in the last five years, the University has added \$27.5 million in new funds for graduate students. They have made great progress in funding graduate education—but not enough. There is need to remain vigilant about keeping graduate-student support a priority because graduate education is an important part of the University.

Professor Roe asked if the 24-credit rule should be uniform across the institution and what the practices of the University's peers are. Provost Sullivan said he would include that issue in his questions to Dean Dubrow.

Professor Martin thanked the Provost for joining the meeting and adjourned it at 3:40.

-- Gary Engstrand

University of Minnesota