

Minutes*

Senate Committee on Finance and Planning January 2, 1990

- Present: Virginia Gray (acting chair), David Berg, John Clark, James Coad, David Dittman, Arthur Erdman, Lael Gatewood, Nick LaFontaine, Matthew Kirkwood, Jeff von Munkwitz-Smith, Charles Speakes, Rob Webb
- Guests: Assistant Vice President Mary Bilek, Senior Vice President Gus Donhowe, Associate Vice President Edward Foster, Warren Ibele, Ken Jansen (Regent's Office), Geoffrey Maruyama, Rabun Taylor (Footnote)

1. Resolution on Costs of Athletic Investigations

Professor Gray called the meeting to order and distributed copies of a revised resolution prepared by Professor Speaks which calls for assessing the costs of an investigation of an athletic department (i.e., men's or women's) for alleged wrongdoing. The thrust of the resolution is that a department would pay 25% of the costs initially and an additional 25% for each subsequent allegation which is substantiated.

It was agreed that the "costs" referred to should be explicitly noted as costs of retaining outside investigators or counsel--University out-of-pocket costs rather than the time or expense of University staff. It was also agreed that the resolution encompasses only investigations conducted as the result of involvement or inquiry on the part of the Big Ten or NCAA¹; it is not intended to include the occasional voluntary finding and reporting of violations by an athletic department.

Members of the Committee who had served on the Assembly Committee on Intercollegiate Athletics noted that there are some difficulties with the resolution even as clarified. An investigation might, for example, be focussed on several allegations of rules violations, many of them minor; if two minor ones are found to be substantiated, is the escalating payment provision of the resolution to be invoked under those circumstances?

Professor Speaks argued against weakening the provisions of the resolution too much for two reasons. One is a matter of image: violations of the rules are not to be condoned and the resolution calls for penalties if there are multiple offenses. The second is that the resolution is not overly punitive and that when the University bears the cost of investigations, the result is "punitive" for every other department because the funds come from central sources.

It was agreed that the resolution should be passed to the Assembly Committee on Intercollegiate Athletics for review and comment before being finally adopted by the Committee.

* 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.

¹And, presumably, the Western Collegiate Hockey Association, although the WCHA was not specifically mentioned at the meeting.

2. The New Athletic Facilities

Senior Vice President Donhowe joined the meeting to report on the development and status of the proposal for new intercollegiate athletics facilities. He began by explaining that a long-range facilities plan had been developed in 1986 for athletic and recreational sport facilities but it had no financial feasibility plan so was "not executable." These are not new proposals but rather a repackaging of plans developed several years ago.

As a consequence, President Hasselmo appointed a committee, with Mr. Donhowe as chair, to both physical and financial feasibility studies. They retained outside consultants experienced in both areas and looked at five different scenarios, ranging from a \$90 million proposal to fixing up Williams/Mariucci Arena. The committee reached two conclusions: First, that the funds to complete Phase IB of the recreational sports plans had to be obtained before work on any new intercollegiate facilities could be planned, and second, given the politics of arenas in the Twin Cities, any proposal which required legislative approval would be a sitting duck for downtown business interests. The results were a self-financed arena and a decoupling of the arena from the pavilion (the small arena). The decision to decouple the pavilion from the arena initially provoked criticism from those involved in women's athletics--the program which would be one of the primary users of the pavilion--but Women's Athletic Director Voelz now supports the plan because it is understood that a combined proposal would be held hostage by downtown interests and would compete with academic priorities in the capital request because it would require state support. Because of the University's interest in responding to equity issues, he added, he thought opposition to funding the pavilion would not materialize, and that it also might be possible to find a donor willing to make a large initial contribution in order to kick off a possible fund-raising drive to build the pavilion (similar to the effort which led to funding of the performance facility for the School of Music).

The method proposed for financing the arena is not uncommon for commercial arenas but is entirely novel for college facilities; the revenue stream would come from private suites, preferred seating, a private club, and advertising on the scoreboard. Mr. Donhowe said he told the Board of Regents that it would have to make "moral" decisions and would also have to make investment decisions--something it doesn't normally do.

The current plans do not address when the pavilion or the needed practice ice sheet for the hockey team will be built. It will therefore be necessary to keep Williams/Mariucci Arena open as a practice facility--at a cost of about \$600,000 per year. So until the demolition of Williams/Mariucci can be forecast, there is a cost problem which cannot be solved. Moreover, Williams/Mariucci cannot be demolished until the pavilion and the practice ice sheet are constructed or there will be no facilities for the current users of those spaces. Mr. Donhowe said he would be unwilling to move hockey, for instance, off-campus even for a short period--because it would be unlikely ever to return.

Since the plans were developed, Mr. Donhowe noted, St. Paul Mayor Latimer concluded that the Civic Center should serve as home for Gopher sports; there is no way to tell what might come of that offer. It could lead to a much-revised proposal from St. Paul, and might engender more attractive offers from other arenas as well (in contrast to their first responses). The University has told them, however, that it has no obligation to ship its teams off-campus so that investments in arenas by others, public or

private, can work out.

Asked about it, Mr. Donhowe said the construction would be financed by general obligation bonds of the University; if the revenue stream were insufficient to handle the debt load, it would have to be paid from general University revenues. The University might be able to issue revenue bonds--as opposed to general obligation bonds--but Mr. Donhowe pointed out that the University would never let the facility go bankrupt anyway so the type of obligation is irrelevant.

Mr. Donhowe was asked if there was any way to assess the probability of risk or any feel for the risk; he replied that Coopers, the consulting firm, believes that the revenue will increase slowly but that there is a real niche in the market for the elements of this arena. There is, however, no science to forecasting whether or not their numbers are solid. Mr. Donhowe added that the University found people to be cool to the proposal for an arena, unwilling to contribute to its cost, but very supportive of keeping sports on campus.

The move to preferred seating would take place over a period of years as ticket-holders died or did not renew; people would not "be jerked around." The preferred seats, he thought, would be no more than 5,000 of the 14,000 seats, and agreed that students and faculty should not be placed in the worst seats.

The placement of the pavilion has yet to be determined, even though the architect placed it on the sight of Williams/Mariucci Arena. There must be, Mr. Donhowe asserted, a skillful and thoughtful space design for the east end of the campus--a plan which will designate what spaces should be open and where the pedestrian and vehicle access will be--which architects will not be permitted to change (akin to the Mall).

Asked about possible recreational sport use of the new facilities, Mr. Donhowe said he doubted there would be much in the arena, mostly because it would not fit recreational sport needs. The practice ice sheet could be used as the ice in Mariucci Arena is now used. He also reminded the Committee that with the many new recreational sport facilities which would be built prior to the intercollegiate athletic facilities the demand for the latter spaces for recreational purposes would be diminished.

Mr. Donhowe was asked what athletic needs would be left unmet after the new facilities were built and what the prospects might be for maintaining the existing facilities. He told the Committee that five of the athletic/sport facilities on the campus are very old (Norris, Williams/Mariucci, Cooke, the St. Paul Gym, and the Fieldhouse) but that all could be maintained indefinitely if the maintenance dollars are made available. Williams, for example, has a life expectancy of less than 10 years if nothing is done but could be made to last a long time, although in threadbare condition, for reasonable amounts. If, however, Phases IA and IB of the recreational sport facilities are built, as well as the arena, the pavilion, and the practice ice sheet, with the first-rate swim center being built Minnesota would have the finest facilities for sports in the Big Ten. Even those which currently go off-campus, such as tennis, could perhaps be brought back with the construction of facilities funded "on their own bottom." Professor Ibele interjected that while these new facilities are being bunched, that isn't surprising since most of the existing facilities all date from the 1920s--and have been largely abandoned by the faculty and students whenever possible.

Committee members raised with Mr. Donhowe the seeming contradiction between keeping college sports on the campus, and presumably not professionalized, but then virtually importing

professionalization by relying on the funding devices he described. Mr. Donhowe acknowledged the appearance but pointed out that it is the attendee who is being professionalized, not the student or the game.

Concern was expressed about turning facilities over to the intercollegiate athletic programs, which then bump recreational sport users; the possibility that this would happen with the swim center was raised. Professor Ibele concurred, and pointed out that it was for this reason that the President established a user committee which decided which units had access to which facilities at what times. The swim center time, he added, will be 85% recreational sports.

3. Peer Group for Faculty Salary Comparisons

Professor Gray announced that this item had been placed on the agenda again because the discussion had appeared to be unfinished at the close of the last meeting. She asked Mr. Berg if there was anything new to report; he said he had provided a draft survey to Academic Affairs which would ask departments to identify their peers/competitors--and learned at the meeting that it had been revised and sent out to the departments.

The comment was made that it was useful to have had Penn State added to the Big Ten--it should give the University a talking point about not relying solely on the athletic conference for faculty salary comparisons. The Committee has agreed that the peer group should be broader than the Big Ten and asked that it receive a report on the results of the survey from Academic Affairs when it is available.

4. Financial Implications of the 1:1 Class-Hour-to-Credit Ratio

Professor Gray told the Committee she had placed this item on the agenda simply to explore whether or not there were financial implications to the recent policy adopted by the Senate. Her own chair, for example, had expressed concerns about additional rooms needed as well as a possible need for additional TAs and funds to support them. Professor Clark, chair of the Senate Committee on Educational Policy--which had developed the Senate policy--replied that the financial implications had been considered, although not to the point of having a report. Room scheduling, SCEP had been informed, would be no problem (although that is now becoming less clear); the matter of TAs had not been addressed.

Committee members discussed various ways in which classes might be rescheduled (such as in blocks of two hours twice a week or later in the day or MTWF). One possibility might be run two programs, one in the afternoon and one in the morning (where multiple sections are offered), so that students could accommodate classes to work schedules.

It seemed to be understood that since any mass switch from 3 to 4 credits in the early 1970s took place in CLA, any staffing problems which might arise from conversion back to the 1:1 ratio is primarily a CLA problem. Professor Clark also pointed out that the students on SCEP made it abundantly clear that they did not want one additional hour of lecture--that what they receive now is not of a quality to make them want more of it. The Senate policy strongly encourages active learning and diversification in the methods of instruction, although it leaves the implementation up to the colleges and the departments; the Senate policy is "a pinprick" in the direction sought.

Changes in the course credits, it was pointed out, could lead to a decrease in student credit hours, and a corresponding drop in state funding; the changes could also mean it will take longer for students to graduate. The student members of the Committee suggested that this might in effect serve as to weed out those who are serious students--who will accommodate themselves to the change--and those who are simply killing time--for whom the change will be an unacceptable imposition on their time and energy.

Professor Ibele expressed alarm at the possibility that there might be mass reversion to the three-credit module; the reason for the change in the first place was that students felt their education to be too fragmented if they took five 3-credit courses. Smaller credit modules might be appropriate for some courses, but in others it leads to an artificial view of a discipline.

The Committee adjourned at 4:50.

-- Gary Engstrand

University of Minnesota