Background Report for the
March 13-14, 2000 Focused Visit to
the University of Minnesota-Twin Cities

Prepared for the
North Central Association of Colleges and Schools
Commission on Institutions of Higher Education

Office of the Executive Vice President and Provost
University of Minnesota
March 13, 2000
Chapter 1

Background Relative to Focused Visit

The University of Minnesota-Twin Cities hosted on May 13-15, 1996 an accreditation team appointed by the North Central Association of Colleges and Schools, Commission on Institutions of Higher Education. The team had as background for its visit the report *A Land-Grant University for the 21st Century*, which was accessible then and now on the Internet at www.umn.edu/accred/study.htm. Members of the Focused Visit Team were encouraged to browse that extensive report for detailed information about the University of Minnesota-Twin Cities and the challenges and opportunities it faced in the decade following its 1986 comprehensive accreditation. (The effort to make the report accessible on the Internet also proved invaluable to the institution in its expanded use of the Internet in the last five years, particularly in the use of the Internet to streamline the semester-conversion process.)

The Site Visit Team Report at www.umn.edu/accred/visit.htm and the President’s response to the report at www.umn.edu/accred/hasselmo.htm also were made accessible to those interested in knowing the issues that emerged from the site visit.

The Site Visit Team Report provides the rationale that led to the recommendation that a Focused Visit occur during 1999-2000 to focus on three issues (Academic Health Center, governance, and management systems) identified in the Statement of Affiliation Status (SASS) at www.umn.edu/accred/affiliate.htm. Portions of the Site Visit Team Report are included herein to give a fuller understanding of the three issues specified in the SASS. The Focused Visit also provides an opportunity for the North Central Association of Colleges and Schools to review the University’s initiatives to deliver selected degree programs at three international locations.

On September 28, 1999 Executive Vice President and Provost Robert Bruininks appointed a 12-member Focused Visit Steering Committee to guide the institution’s response to the three issues noted above. Members of the Steering Committee were chosen because of their involvement in one or more of the four topics noted above. Members of the Steering Committee were as follows:

- Professor Thomas Scott, Department of Political Science, College of Liberal Arts, and Director, Center for Urban and Regional Affairs, Humphrey Institute of Public Affairs (Chair of Steering Committee)
- Professor C. Eugene Allen, Director, Office of International Programs
- Dr. Rusty Barcelo, Associate Vice President, Multicultural Affairs
- Mr. Steve Cawley, Associate Vice President, Information Technology
- Ms. Tina Falkner, Graduate Student and Assistant to the Registrar
- Professor Shirley Garner, Chair, Department of English Language and Literature, College of Liberal Arts
- Professor Gary Gray, Department of Chemistry, Institute of Technology
The Steering Committee, after reviewing materials on Focused Visits provided by North Central, decided to chronicle the series of events and the associated outcomes and accomplishments since the May 1996 site visit. The Steering Committee also decided to briefly update information about the General Institutional Requirements as they pertained to the three issues noted as areas of concern. At its first meeting, the Steering Committee considered how it might proceed in organizing and evaluating information to support the hypothesis that the three issues of concern had been satisfactorily resolved in the past four years.

This Focused Visit Report chronicles three separate stories relative to the areas of concern expressed in the 1996 Site Visit Team Report. In brief, the conclusions relative to each of the three issues may be summarized as follows:

- **Governance**: In contrast to 1996 when relations between governance and administration were shaky at best, the current situation is harmonious and productive.
- **Management Systems**: The University has implemented all of the new data management systems and associated changes in reporting relationships, but the systems are not working as well as they must.
- **Academic Health Center**: The sale of University Hospitals was successfully negotiated, but units in the Academic Health Center continue to be concerned about effects on the quality and financing of academic programs, especially in the Medical School.

In contrast to smaller, single-mission institutions where the self-study process is the most significant process on campus, the self-study process in May 1996 was one of the several major initiatives occurring during the 1995-96 academic year. Figure 1 in the 1996 self-study report conveyed a sense of the magnitude and scope of institutional change efforts, but without the articulated supporting rationale and timetable for completion of the various initiatives. The 1995-96 academic year was one with several major initiatives underway, and with more under consideration than is typical even in large, complex educational institutions. In retrospect, including the figure may have conveyed an agenda that seemed impossible to accomplish.

The successful implementation of the major initiatives is described and evaluated in subsequent sections of this report. A revised Figure 1, included on page 3 of this report, indicates those initiatives that have been completed during the past four years. *Virtually all of the major projects had been successfully completed when this report was prepared in January 2000.* Given the serious concerns voiced by members of the Site Visit Team about the University's
ability to accomplish such a sweeping set of institutional changes, the past four years have been marked by remarkable and successful efforts by faculty, staff, and administration across the
Figure 1
Completed Major Initiatives Since May 1996

- Student Systems 2000
- Grants Management
- Information Technology
- Human Resources
- Business Service Delivery

Review, Simplification, and Computerization of University Policies

- Structure and Role of the Graduate School
- Transformation of CCE into University College
- University Hospital and Academic Health Center
- Organizational Structure of the Biological Sciences
- Twin Cities Higher Education Partnership
- Institutional Profile Statement


- Undergraduate Education
- Diversity
- Graduate and Professional Programs
- Research
- User-Friendliness

Completion of Campus Master Planning Process

- Collaborative Retention Project
- Enrollment Management Planning
- Continuing Development of Institutional Performance Measures

Revision of Tenure Code

- Continuing Gradual Movement to Responsibility Centered Management (Incentives for Managed Growth)

Fall 1999 Completion of Change to Semester Calendar
institution. The detailed descriptions of how changes were monitored over the past four years provide some insights to other institutions that may be faced with formidable and simultaneous institutional change efforts. The University of Minnesota-Twin Cities now has internal organizational structures and data management systems for its effective and efficient operation into the 21st century.

Institutional Overview

This section is a very brief overview of the University of Minnesota-Twin Cities. Portions of the following text are abbreviated and updated from the report A Land-Grant University for the 21st Century. More detailed information about initiatives and achievements of the collegiate units on the Twin Cities campus since May 1996 may be accessed electronically at www.irr.umn.edu/compact/compact99. The information in the Web site and in Chapter 4 summarizes the current status of collegiate units in the Academic Health Center, since the Academic Health Center was one of the three areas of concern noted in the Site Visit Team Report.

The University of Minnesota, with its four campuses, is one of the most comprehensive higher education institutions in the country and ranks among the leading universities in the United States. It is both the state land-grant university, with a strong tradition of education and public service based on its academic reputation, and a major research institution, with scholars of national and international reputation. The University has set a goal of further improving its academic reputation as one of the top public institutions in the country.

The Twin Cities campus in Minneapolis and St. Paul includes 20 colleges and offers approximately 160 undergraduate majors, as well as over 300 graduate and professional degrees. Total enrollment on the Twin Cities campus for fall semester 1999, the first term in the new semester calendar, was 40,279 of which 9,597 were graduate students.

According to the 1995 National Research Council's assessment of 41 doctoral programs in arts, sciences, and engineering, the University ranked 9th among U.S. public universities, based upon the total score of all ratings above 3.5 for the scholarly quality of the graduate faculty, and 20th among all U.S. public and private universities. Several of the University's professional programs also ranked in the top 20 in the nation according to the U.S. News & World Report's 1998 America's Best Graduate Schools.

Between 1986 and 1996, the University of Minnesota had become a somewhat different institution as a result of its responses to forces from within and outside the institution. In 1986, the institution found itself at "the crossroads" in terms of its future. That perspective was reflected in the title of the report A University at the Crossroads. The Board of Regents appointed a new president of the University of Minnesota in 1985 who then proposed A Commitment to Focus as a plan for the institution's future. The choice of the words "the crossroads" in 1986 certainly anticipated the fact that the University of Minnesota, like many other similar institutions, was at the beginning of a decade that posed many serious challenges to institutions of higher education. In anticipation of the challenges facing the institution as it
entered the 21st century, the statement *University Mission, Vision, Strategic Directions and Performance* was approved by the Board of Regents on January 14, 1994 to guide the institutional change efforts. The 1985 plan and the 1994 statement provided the institutional context that led to the initiation of several major institutional change efforts. The representation of all of the major initiatives in the self-study report was part of the background that led the Site Visit Team to conclude:

> Perhaps the overriding concern of the Team is the overwhelming array of issues and problems with which the University is currently contending. They have many origins. Some have arisen from internal imperatives, some of them shared with most major American public research universities and others peculiar to this University. Some are driven by external agencies and events, both good and not-so-good. The Self-Study includes a figure that attempts to summarize on a single page all of these issues and their interrelationships. President Hasselmo has noted that this figure may be misleading because it lacks the time dimension and thus omits the wide range of timetables that govern the various projects illustrated. Nevertheless, the Team found the complex of issues and projects represented by the figure a bit dizzying, and we collectively wondered, "Has not the University of Minnesota--Twin Cities perhaps bitten off more than even it can chew?" The Team fears that it has. Each of the issues and projects currently being addressed is a major undertaking. Three or four together would constitute a very full agenda for any university. We estimate that the University is currently trying to address about two dozen! The Team understands that some of these are on the University's agenda because they ought to be addressed, and some are there because someone or something important (e.g., the Legislature, a Regent, or the National Institutes of Health) says they must be addressed -- immediately. The Team also understands that each of these issues is coupled to practically every other issue at hand. Nevertheless, the Team feels strongly that unless the University can prioritize and schedule these issues so that they can be addressed a few at a time, it runs the risk of failing to resolve any of them successfully. This is especially true at a time when transitions in major University leadership positions (including the presidency) are imminent or on the horizon, and when there is some disaffection and low morale within parts of the University community over issues such as AHC re-engineering and the tenure controversy, and over what is perceived by some as a veritable avalanche of ill-examined change.

**Institutional Strategic Planning**

This section is a brief historical summary of the history of institutional strategic planning efforts that eventually led to the creation of the change agenda that was evident in May 1996. The description suggests that the major initiatives grew out of a long institutional planning process rather than as a set of disconnected institutional change initiatives. A strong strategic planning framework led to the vigorous institutional change agenda that concerned members of the 1996 Site Visit Team, but it also undoubtedly helped the institution successfully accomplish the various major initiatives during the period from 1996 to 2000. The past strategic planning processes
provided the foundation for the current Compact Planning Process that has been in place since President Yudof’s inauguration on July 1, 1997.

**Strategic Planning in 1996**

In November 1993, the Senior Vice President for Academic Affairs, also then Provost for the Twin Cities campus, appointed a 15-member Strategic Planning Advisory Committee (SPAC) to guide the institution's strategic planning efforts. The chair of the 1996 North Central Advisory Committee was also heavily involved in the development of the strategic planning process as well as the planning meetings held with deans of each collegiate unit. SPAC continued to meet through the spring of 1995. With the beginning of a new administration July 1, 1997, the Compact Planning Process in the Office of the Executive Vice President and Provost is the current framework that guides the institutional strategic planning efforts.

In fall 1995 an *ad hoc* committee of six faculty which included the chair of the Faculty Consultative Committee, was appointed to think about the "profile" for the University of Minnesota to provide further guidance to institutional strategic planning. Their final report *Statement on the Profile of the University of Minnesota*, submitted in December 1995, included the following statements:

*A university's profile is that combination of highly visible characteristics that gives a university its identity, both internally and externally, and differentiates it from other institutions of higher learning. It is important not only because it defines a university for its publics, but also because it shapes and colors what the university does and how it does it.*

*The University of Minnesota's profile has been, and should continue to be, that of a major land-grant research university with its flagship campus located in a large metropolitan area. As a research university, its primary commitment is to the generation of knowledge as well as to its preservation and its dissemination by publication and teaching. As a land-grant university, its commitment is to the dissemination of knowledge far beyond the confines of the campus and the scholarly community; it seeks to put basic research into practice through professional education, outreach programs, and knowledge and technology transfers, bringing not only research to practice, but the experience of practice back to research.*

*Being a great research university, and acknowledging that we are one, best defines what we are and what we do. The great research universities of this country are among the world's great educational and intellectual centers. Individually we are engines of economic development for our states and regions, but we are more than that. We are places of pride, positive influences on the quality of life, agents for solving social problems. Our libraries and all of our research facilities are important regional resources. We have, moreover, played a pivotal role in the development of the most open and extensive system of higher education in the world. Those indeed are reasons American research universities are the envy of the rest of the world and why the rest of the world sends many of*
its brightest young talents to us. We have every reason to be proud of our past and every reason to be confident of our future if only we will act to ensure it."

The ad hoc committee on strategic planning initially submitted (in September 1995) a discussion paper, Issues and Positions 1995 Supplement. The primary purpose of the strategic plan was to ensure that the University of Minnesota had defined "a path to meet its current challenges and to strengthen its role as one of the leading research universities." The discussion paper classified institutional goals into two categories: (a) enabling (user-friendly community, diversity, faculty and staff, supporting infrastructure, and finance); and (b) output (research, graduate and professional education, undergraduate education, and outreach and access). This document provided the rationale for the initiation of several of the major institutional change efforts that were beginning to take shape in 1996.

The revision of major data management systems, central to the institution’s capacity to address its goals in both of the above categories, was one of the issues of concern noted in the Site Visit Team Report. Several other initiatives underway in 1996 were also in direct response to the goals articulated in the September 1995 discussion paper. The document identified the following seven additional issues that needed to be addressed:

- What major academic areas and/or institutional characteristics should comprise the recognizable signature of the University of Minnesota?

  The University will have a recognizable signature that includes a number of major academic areas, some of which will be cross-boundary in nature. Consideration will also be given to inclusion of one or more institutional characteristics (e.g., wide use of leading edge information technology).

- How can the institution attain stability and adequacy in long range financing? How should the budget be developed to properly emphasize state funds in conjunction with tuition and other income?

  The institution will estimate the level of general state support for the institution as a whole over the next five years. This estimated general support will be allocated to major areas units. A primary financial requisite is the necessity to provide sufficient funds to maintain the University as a leading land-grant, research university. To accomplish this, tuition and outside funding must be sufficient to augment the state support.
• How can the productivity (relation of real output to real input) of all University operations be significantly increased? How can we determine how expectations for improvement should vary by the nature of the unit?

The productivity of the administrative and support operations of the University must be increased by 25 percent by the year 2000. Similarly significant improvements must be made in the productivity of direct academic units. Expected improvements for various major activity categories will necessarily vary.

• How can the delivery of our products to our constituencies be significantly improved (cost-effectiveness)? How can the quality and value of the institution’s services be better presented to its constituencies?

The importance of marketing must be stressed to all operating units with emphasis on both product excellence and constituency access. The role of University College and the Graduate School in providing support to the academic operating units must be defined.

• How should the recognition, reward, and tenure systems be made responsive to the needs of the institution?

The University must have a Tenure Code that meets the legitimate needs of the faculty (especially for protection of academic freedom) and the needs of the University to have sufficient flexibility to operate efficiently and to allow prompt corrective action in cases where individuals do not adequately meet their responsibilities. Existing performance measurement/reward systems must be made more flexible for both faculty and staff. Additionally, new forms of faculty/staff recognition must be generated. Student recognition must be expanded.

• How can the University attain its diversity goals?

The institution will reconfirm its general diversity targets. It will further emphasize a change of culture that broadly supports diversity.

• Can the University significantly improve the value-adding aspects of its support infrastructure?

The institution will develop an exemplary support infrastructure that serves its internal and external constituents (e.g., student access to computing, efficient grants management, effective classrooms). Investment will be made in projects that will significantly enhance the capabilities of those served, significantly improve efficiency, or both.
With increasing frequency and from several sources in 1996, all institutions of higher education were being asked to demonstrate increasing accountability to the constituencies they serve. The Board of Regents approved the *University Mission, Vision Strategic Directions and Performance statement* on January 14, 1994. That resolution also initiated "the development, by the University's central and unit administration and in consultation with the University and unit governance organizations, of critical measures and benchmarks for measuring institutional, campus, and unit performance.” Following the successful development and implementation of institutional-level measures, the measures are now being refined for use at the college level as part of the Compact Planning Process.

The 1995 ad hoc committee on strategic planning articulated the goal of developing a system and set of performance measures that would be useful in several contexts: a) to form a systematic foundation for the University of Minnesota to evaluate and improve institutional performance within the context of its strategic planning efforts; b) to provide a basis for institutional self-study as part of the reaccreditation process; c) to respond to legislative pressures to submit performance data for all postsecondary institutions in Minnesota; and d) to anticipate possible new federal requirements. An initial statement of four purposes to be served by the development of performance measures guided all subsequent activities:

- To publicly confirm the institution's success in meeting its stated goals and objectives.
- To guide and facilitate institutional, campus, collegiate, and support unit self improvement.
- To serve as an important link between planning, performance, evaluation, and resource allocation, so that performance in a desired direction can be supported and rewarded through the budgeting process.
- To provide means for comparison with other similar institutions, in search of best practices for the accomplishment of institutional goals.

Although the impetus for developing measures was internal to the University of Minnesota’s strategic planning process, the new performance measurement initiatives were used in interacting with the Minnesota Legislature to respond to their increasing interest in accountability and performance-based funding for higher education. As part of the 1995 Higher Education Bill, the Minnesota Legislature established a $5 million performance incentive account, and agreed to release $1 million each time the University of Minnesota presented evidence that it has achieved one of five performance measures. Legislation enacted by the 1995 Minnesota Legislature actually included language that based some institutional funding on the performance measures developed by the University of Minnesota. There have been no subsequent legislative proposals since that initial year to link funding to institutional performance.

**Planning and Budgeting in 1999-2000**

The formal institutional planning process was in transition during 1995-96, in part because of the short-lived reorganization of the campus into three areas, each with its own provost. Uncertainties about institutional planning and budgeting was undoubtedly one of the issues that surfaced when site team members visited with collegiate deans on the Twin Cities campus in May, 1996. A detailed overview of the current planning process is presented here to emphasize
that the many current initiatives underway at the University of Minnesota-Twin Cities are the
result of systematic strategic planning, as was the case in 1996.

One of the many changes initiated by President Yudof is a new approach to institutional strategic
planning. The cornerstone of the process is the Compact Planning Process, an annual process
through which colleges and support units document and reach consensus with the administration
about new initiatives and the resources necessary to accomplish those initiatives. The Compact
Planning Process, under the leadership of the Office of the Executive Vice President and Provost,
is now in its third cycle. A description of how the process has evolved during the past three
years is presented below, since the process may be discussed in meetings with deans and other
administrators and faculty. As the discussion suggests, the Compact Planning Process continues
to be “fine tuned” to make it a more effective basis for articulating college-level initiatives and
budgetary commitments and performance measures.

The Compact Process

In the fall of 1998, the University of Minnesota made substantial changes in its processes of
strategic planning and management. Noteworthy is a system of agreements, or compacts,
between the administration and each of the University’s campuses, colleges, and support units.
The compact process is designed to align the goals, directions and overall investment strategy
established by the President and Board of Regents with the academic priorities established within
each unit by deans, directors, faculty, and staff. The President and Board of Regents establishes
these goals and strategic directions through the capital request, the academic supplemental
request, the biennial request, and institutional performance measures, and are aligned with
investments through a process that decentralizes authority and responsibility to campuses,
colleges, and other units. Furthermore, unit and University accountability is stressed, as the
compacts contain specific outcome measures and indicators of progress (linked to the
University’s institutional performance measures) that emphasize specific outcomes (e.g., quality,
efficiency, effectiveness, and service).

A compact represents a coordinated planning and accountability process to achieve essential
institutional and unit goals. The essence of a compact is a written agreement between the
campus/college/support unit and the administration, explaining how the unit and the University
together will address important strategic issues to advance the teaching, research, outreach, and
internal service responsibilities of the University of Minnesota. Compacts are management
agreements that delineate directions and actions, respective responsibilities, investments,
outcomes, and mutual expectations for accountability within the University’s and the unit’s
longer-range plan. The agreements typically address an intermediate to long-range vision of the
unit’s programs, but they are developed and written annually and jointly by the unit and the
administration throughout each academic year.

The goals of the compact process are to:

• Implement a common, systematic and integrated planning and budgeting process for
campuses, colleges, and support units, and create a framework in which to review internal
budget requests;
Create a shared University plan and vision for the unit, emanating from the unit itself and the administration, through assessment of strategic issues, priorities, directions, responsibilities, and accomplishments;

- Develop and articulate standards of excellence and expectations for accomplishments for each unit and the institution as a whole;

- Engage faculty, staff, and students in local-level decision making while developing less hierarchical peer relationships between the administration and campuses, colleges, and support units;

- Expand discussions of issues while establishing documented, public agreements that move units toward clear goals, expected outcomes, and accountability for results; and

- Create documents that allow the Board of Regents, constituent groups, legislators, and others to evaluate progress on a wide variety of University issues and programs. Compacts for each of the colleges may be accessed by all members of the University community as well as by interested external parties.

**Review of 1997-98 Compact Process**

In the initial year of the compact process the University sought to implement the President's and the Board's vision for the institution, as well as the goals of the capital, academic supplemental, and biennial legislative requests. The compacts acted as the bond between these goals and the specific initiatives undertaken by colleges and other units to make the institutional vision a reality. The compacts also served as a bridge between the additional academic funding the University received that year and the existing resource base, challenging the colleges and support units to aggressively leverage new funds with internally reallocated resources. Finally, the compacts included detailed implementation strategies and evaluation measures that described responsibilities and accomplishments. The process is intended to ensure that the institution does not merely make investments, but also can evaluate the effectiveness of those investments.

Twenty-nine major University units participated in the compact process the first year, including all Twin Cities academic colleges, each of the three other campuses of the University, and several academic support units (e.g., Office of Information Technology, University Libraries, and Multicultural Affairs). A survey of all deans showed that the large majority prepared their compact submissions and discussions from previously ratified collegiate strategic plans that had already gone through several iterations with faculty, staff, and students. Most colleges also used their usual faculty consultative committees and governance structures to discuss issues, rather than forming separate compact committees outside of their usual consultative structure. Small colleges discussed the drafts of the compacts in faculty assemblies that involved their entire faculty, while larger colleges used departmental consultation and placed the compact draft submissions on the web for comment and discussion. Most of the compact ideas and initiatives had their genesis within programs, departments, and colleges of the University.

The Executive Vice President and Provost or the Senior Vice President for the Health Sciences met initially with each unit to review the unit's strategic framework and responses to planning questions. The administration provided detailed follow-up letters to all units after the initial compact meeting, requesting progress and clarification on issues discussed in the meeting. A second series of meetings was undertaken in the spring to discuss the most important compact
planning and resource issues for the unit and their budget ramifications. Finally, the administration and the units worked collaboratively throughout the spring and summer to jointly draft the first compact documents. The process met its initial goals of being iterative, collaborative and collegial, while at the same time producing effective solutions to important issues and advancing the priorities of the colleges and campuses.

In total, nearly $30 million was allocated (from various funding sources) through the 1997-98 compact process to units throughout the University. The majority of these resources went directly to colleges and campuses, and all sectors of the University received allocations, including the Duluth, Crookston, and Morris campus, University Center Rochester, the Academic Health Center, as well as all of the Twin Cities campus colleges. These funds were allocated toward several University priorities established by President Yudof, the Board of Regents, and previous University plans. The following includes four themes that include illustrative examples of programs, initiatives, and investments agreed to in the initial compact process.

**Advancing Academic Excellence.** One of the overarching themes of the administration and the Board of Regents was to advance the academic excellence of programs, departments, colleges, and campuses. President Yudof introduced several initiatives aimed specifically at this outcome, through both the 1998 academic supplemental request and the 1999 proposed biennial request. Several of the University's institutional performance measures evaluated the University's success in promoting excellence in academic programs. The 1997-98 compact process concentrated on three complementary areas for discussion and investment:

- **Enriching the undergraduate experience.** Initiatives included the following: add 35-40 new freshman seminars delivered by senior faculty members; expand programs for writing across the curriculum through additional writing centers, tutors, and web-based support; increase laboratory science courses for undergraduate students, providing an additional 500 student seats annually by 1999; fund and expand the residential college concept; increase funding for advising and student affairs, including additional student advising staff in the Institute of Technology, greater use of information technology and career planning in the College of Liberal Arts, and an integrated four-year honors program and internship programs in the College of Biological Sciences; develop several interdisciplinary minors for undergraduates, including potential minors in information technology, social biology, diversity studies, and justice studies; and increase the breadth of leadership and first-year experience programs for undergraduates through the Office of Student Development.

- **Strengthening graduate and professional programs.** Initiatives included: investments to keep our best academic departments competitive and highly ranked, with special investment this year in the College of Liberal Arts in the social sciences (with new faculty searches this year in Political Economy and Psychology) and the humanities (with program development in Theater and Music, Film Study, Asian Language, Literatures and Cultures, and initial planning resources for a new Humanities Institute); reorganization and creation of partnership departments in the biological sciences to enhance research and graduate medical
education, especially in the areas of primary care, gerontology, and the biological sciences; continued implementation of the Pharmacy Doctorate program to meet student demand in the College of Pharmacy; and, over $800,000 in new resources to support library collection development and electronic access improvements. Other critical investments in interdisciplinary programs are detailed below.

**Academic supplemental initiatives.** Over the next few years, $22.2 million is being invested from the academic supplemental initiatives through the compact process. The compact process was used to delineate specific programmatic investment areas and related outcomes for the distribution of $22.2 million from the academic supplemental initiatives. These areas include:

- **Molecular and Cellular Biology**, included the hiring of 10-12 new faculty to facilitate expansion of basic and applied research in cells and molecules, developmental biology, genetics, microbiology, and neuroscience. The initiative extends to the agricultural and outreach agenda to provide investments in plant and animal sciences. Several colleges are involved in this effort, including the College of Biological Sciences, Academic Health Center, Institute of Technology, and the College of Agricultural, Food, and Environmental Sciences.

- **Digital Technology**, included the hiring of 8-12 new faculty to leverage and expand efforts in high performance computing, digital design, computational biology, computer science, and electrical engineering. The initiative also established a digital technology center, the University Libraries as leaders in knowledge transfer, and expansion of distance education and technology enhanced learning efforts.

- **Design**, included the development of interdisciplinary core courses for undergraduates, additional support for the new interdisciplinary Masters of Urban and Regional Planning, development of a Masters of Fine Arts (MFA) in media design, the development of a monthly design seminar series, a design summit in 1999, and creation of a design outreach center, possibly in collaboration with private non-profit organizations in the metropolitan area.

- **New Media**, included hiring 6-8 new faculty for expansion of programs on the nature, economics, and content of communications and information media, as well as enhancements on the academic study of telecommunications, the Internet, and interactive communications. The initiative will also create an Institute for New Media Studies (a joint venture between the University and industry), develop a new professional master's degree program in this area, strengthen mentoring and internship opportunities for students, strengthen and expand the Silha Center for the Study of Media Ethics and Law, the Cowles Minnesota Journalism Center and the China Times Center, and create state-of-the-art facilities in Murphy Hall and Ford Hall.

- **Agricultural Research and Outreach**, included hiring 10-12 new faculty to leverage investments in molecular and cellular biology and digital technology for application directly towards agricultural and rural concerns. For example, resources in digital technology will be invested to enhance biosystems modeling and precision natural
resource management. Likewise, resources for molecular and cellular biology will serve as a platform for super-high quality food and fiber products that can enhance the profitability of the agricultural, food, and environmental sectors of the state.

Expanding Educational Access. As a land-grant institution, expanding access to University programs throughout Minnesota remains a high priority. Increasingly, access to the University is being expanded through the use of technology-enhanced learning and through partnerships with institutions throughout the state. Selected examples of compact investments and priorities from 1997-98 include: significant investments in programs and instructional delivery at University Center Rochester in educational policy, computer science, English, communication disorders, social work, and the health sciences, resulting in an immediate increase in course offerings; continued investment in Minnesota’s Virtual University (MnVU); investments in diversity expansion and ensuring access for learners with diverse needs, including partnerships with Historically Black Colleges and Universities in the fields of education and technology, programs for women in technology, and specific faculty and student diversity initiatives in liberal arts, architecture, biological sciences, and other colleges designed to meet the University's diversity performance measure; and advancement of several key partnerships such as technology-enhanced learning in Crookston, the UNITE instructional television program in the Institute of Technology, developmental education partnerships between General College and the College of Education and Human Development, and the agricultural partnership programs between the College of Agricultural, Food, and Environmental Sciences and Southwest State University.

Connecting the University to the Community at Large. The University has been and will continue to be one of the major economic engines of the state, through the creation of human capital and technology transfer. Investments through the 1997-98 compact process included support for digital library resources, funding for Internet 2, faculty positions in electronic commerce in the Carlson School of Management, supplemental resources for the University of Minnesota Extension Service, start-up funding for the agriculture rapid response program, and new funding for the Law Clinics.

Promoting a Climate of Quality Service. One of President Yudof's central themes has been to improve service quality throughout the University for students, faculty, staff, and our constituents. Beyond continued investments in the Digital Media Center and the University of Minnesota Extension Service, the University organized four main efforts in this area:

- **Classroom Improvements**, including upgrades to a significant number of classrooms.
- **Decentralization of authority, responsibility, and accountability**, including decentralizing resources for diversity efforts across the system, transferring faculty set-up resources to the St. Paul campus, and making efforts to decentralize centrally held student scholarship funds where appropriate. These changes are intended to make these services more responsive and accountable to their users.
- Most noteworthy are **agreements on enrollments, tuition revenue, and indirect cost recovery funds**. Building upon the principles of Incentives for Managed Growth (IMG), colleges have taken greater responsibility for the generation of resources and have assumed greater local responsibility for the expenditures of these funds. The compact
process has been used to assure that these resources advance both the college’s and the University’s goals and vision.

- **Alignment of service units with academic programs**, including compacts with Multicultural Affairs, University of Minnesota Extension Service, Controller’s Office, Health and Safety Management, and Auxiliary Services, all of which, in part, discuss these support units’ relationships with academic units and how these units will enhance service levels for the University community.

Attached to all of the investments outlined in the initial year of the strategic planning via compact process were outcome measures and/or reviews and reporting requirements. In future iterations of the compact process, colleges also used various performance measures, many of which are connected to the University’s institutional performance measures (e.g., quality of the freshman class, diversity, graduation rate, sponsored funding).

### Adjustments in the 1998-99 Compact Process

Following the first cycle of the compact strategic planning process, the administration received numerous important and useful comments from the University community that were used to improve the compact process for the subsequent year. The administration continued to use the compact process to concentrate on decisions and investments to achieve the goal of decentralizing authority, responsibility, and accountability. The specific goals for the 1998-99 cycle were to expand on the following emphases:

- Increased focus on the strategic academic directions of campuses and colleges, with a complementary process for budget oversight and more routine budget matters.
- Renewed commitment to work with support units and management units on compacts to improve levels of service and coordination with the University’s academic mission.
- Continued focus on diversity of students, faculty, and staff.
- Expanded discussions of interdisciplinary directions and cross-functional solutions to issues and problems.
- Increased emphasis on service improvement goals, priorities, and performance measures.
- Continued emphasis on unit consultation, planning, and communication strategies.
- Increased reliance on existing collegiate plans summaries and reviews.
- Strengthened focus on data profiles and performance measures (i.e., outcomes).

The compact process was expanded to include additional University units, such as Facilities Management, the Graduate School, and Student Development. This expansion allowed every major unit within the University the opportunity to participate in the compact process. It also allowed better integration of plans between academic units and support units. The President and the Board of Regents affirmed the importance of continuous improvement of University services for students, faculty, staff, and the broader community. To advance this goal, the central focus adopted for the 1999-2000 cycle was a theme of University service improvement.

### Further Refinements in 1999-2000 Compact Process

Planning participants were reminded that the compact process is designed to align the goals, directions and overall investment strategy established by the President and Board of Regents
with the academic priorities established within each unit by deans, directors, faculty, and staff. The primary purpose and focus of the 1999-2000 compact development process was to discuss issues and priorities raised by deans and directors that improve, both short-term and long-term, the quality, impact, and accountability of their units and the institution. The issues and priorities brought forward for discussion emerged from the units strategic plans and discussions with faculty, students, and staff. The compacts for 1999-2000 were made accessible on the Web in December, 1999 and may be accessed at www.irr.umn.edu/compact/compact99.

**Significant Events May 1996-March 2000**

When the site visit occurred in May 1996, the University of Minnesota-Twin Cities had embarked on a number of major institutional change initiatives that raised concerns about the institution’s ability to accomplish them simultaneously and successfully. The concluding words in the Site Visit Team Report were as follows:

*If successful, these efforts seem likely to lead to dramatic changes in the University. If unsuccessful, the changes are likely to be even more dramatic—and less desirable...The University of Minnesota—Twin Cities is a great university in a state of flux. Peter Vail has described the present environment for American higher education as one of "permanent white water." To extend the metaphor, there are still some who believe that if higher education simply decides to paddle its kayak, it need not and will not move. But that is not an option in white water. What is required is that everyone responsible for a university paddle hard as a smoothly coordinated team. Only that can ensure its successful negotiation of today's white water."

Following the pathway of a kayak through white water involves tracking through both space and time; only time serves as a useful approach for documenting the events that have affected the University of Minnesota-Twin Cities between May 1996 and the March 2000 Focused Visit. There have been some boulders in the pathway that bruised but did not capsize the kayak. Given the number and range of initiatives and changes underway in May 1996, it is not feasible to present a timeline that chronicles all of the significant milestones during the following four years. Figure 2 on page 18 gives a broad overview of the significant events that have shaped the successful resolution of issues and concerns that were evident in May 1996. An overview of the more specific chronology of events that led to the resolution of the tenure crisis is described in Chapter 2.

What follows are brief descriptions of two related accomplishments since the site visit in May 1996, but that were not identified then as of particular concern. When viewed in the context of an agenda for change, all of the initiatives in Figure 1 on page 3 conveyed to site visitors in May 1996 a seemingly impossible challenge. This same figure highlighted the completed initiatives. *The University of Minnesota-Twin Cities has accomplished virtually all of the projects that were proposed in May 1996.* Changes in administration and governance, the successful implementation of new data management systems, and changes in the Academic Health Center occurred in an institution already involved in several other major initiatives (e.g., a change from
a quarter to a semester calendar effective fall term 1999). They are also noted here as general background for the Focused Visit, since some of the conversations with faculty and administration about the three issues of concern may include commentary about these initiatives, including the effects of changing to an Incentives for Managed Growth budgeting and financial framework.

**Transition to the Semester System**

Periodically over the last several decades, there had been serious discussions about changing from the quarter to the semester system. At their meeting on September 9, 1995, the Board of Regents approved a resolution changing all campuses of the University of Minnesota to a semester calendar beginning fall 1999. Central administrators in the Office of the Executive Vice President and Provost and staff in the Office of Institutional Research and Reporting, together with the leadership of the Senate Committee on Educational Policy, led the massive curriculum change effort. The text of the resolution was as follows:

"WHEREAS, a semester-based academic calendar offers at least as many academic advantages for students and faculty as a quarter-based academic calendar, and

WHEREAS, a change to a semester-based academic calendar will promote a significant rethinking of the curriculum in all University programs, as envisioned in U2000, and

WHEREAS, a change to a semester-based academic calendar will result in greater administrative efficiency and improved services for students, and

WHEREAS, a change to a semester-based academic calendar will facilitate greater cooperation with other institutions of higher education throughout the state and the nation,

NOW THEREFORE BE IT RESOLVED, that the University of Minnesota, on all four campuses, change from a quarter-based academic calendar to a semester-based academic calendar effective before Fall 1999.

AND BE IT FURTHER RESOLVED, that the implementation of the change from a quarter-based academic calendar to a semester-based calendar be conducted according to principles and objectives that are first established in close consultation with the faculty governance system and with academic units."
Figure 2
Timeline of Significant Events May 1996-March 2000

- NCA Site Visit
- Sale of University Hospitals
- Board Reaffirms Role of General College
- Peoplesoft Registration Begins
- Data Management Systems are Y2K Compatible
- Board Approves Proceeding to Sell University Hospitals
- Regent Hogan Elected Chair of Board of Regents
- Legislative Funding of Academic Initiatives
- Reorganization of Biological Sciences
- Peoplesoft Upgraded to Version 7.5
- University Contracts with Peoplesoft
- Yudof Presidency Begins
- Data for 750,000 students entered to Peoplesoft
- Semester Calendar Begins
- Sanctions Removed by NIH
- Resignation of Board Member
- Board of Regents Approves New Tenure Code
- Faculty Union Vote Fails
- Compact Planning Process Begins
- Progress Report on Fairview Relationship
- NCA Focus Visit

- 5-13 7-29 11-8 11-3 9-12 6-13 6-1
- 9-12 12-13 12-11 10-11 6-1 7-1 9-7
- 1-1 2-1 1-1 2-1 3-13 2-4

The Semester Conversion Project, coordinated by staff in the Office of Planning and Analysis (now Institutional Research and Reporting) included six phases that culminated with implementation fall semester 1999: mobilization/organization/ base information; timelines, guidelines, and objectives; academic program conversion; student information/advising; student systems redesign project; and other policies and procedures. Periodically, the newsletter "3 to 2 Semester Conversion Project News" was prepared and distributed by the Office of the Executive Vice President and Provost to inform members of the campus community of important transition information. The first day of the new semester calendar was September 7, 1999.

During 1998-99, the Board of Regents received regular updates and engaged in policy discussions on issues related to the semester conversion process. In March 1999 the Board approved an incentive plan that allowed the Twin Cities campus to “discount” tuition to half-price for all credits over 12. The intent of this change was to encourage students to register for an appropriate number of credits, e.g., the full-time equivalency, under the semester system. At the October 7, 1999 meeting of the Board of Regents an initial report on the result of the change suggested that overall head count enrollment was up over fall 1998 levels, that new freshmen enrollments increased on the Twin Cities campus, and that average credit loads decreased slightly, as was expected based on the experience of other institutions that had made the conversion from a quarter to a semester calendar. Table 1 below summarizes statistics for the Twin Cities campus as they pertain to the effects of the conversion to a semester calendar. In contrast to other institutions that have recently changed from a quarter to a semester calendar and that have had a decline in enrollments, enrollments at the University of Minnesota-Twin Cities increased slightly.

Table 1

Enrollment Statistics in the Conversion to Semesters

<table>
<thead>
<tr>
<th></th>
<th>Fall 98</th>
<th>Fall 99</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Twin Cities Head Count Enrollment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>25,903</td>
<td>26,474</td>
<td>2.2%</td>
</tr>
<tr>
<td>Graduate</td>
<td>9,426</td>
<td>9,635</td>
<td>2.2%</td>
</tr>
<tr>
<td>Professional</td>
<td>2,605</td>
<td>2,583</td>
<td>-.8%</td>
</tr>
<tr>
<td>Non-Degree</td>
<td>1,661</td>
<td>1,717</td>
<td>3.4%</td>
</tr>
<tr>
<td>Total</td>
<td>39,595</td>
<td>40,409</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Fall 98</th>
<th>Fall 99</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshmen Enrollment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twin Cities</td>
<td>5,166</td>
<td>5,194</td>
<td>.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Fall 98</th>
<th>Fall 99</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean Fall Credit Loads</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>13.4</td>
<td>12.9</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Graduate</td>
<td>8.3</td>
<td>7.9</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Professional</td>
<td>18.7</td>
<td>19.2</td>
<td>2.8%</td>
</tr>
<tr>
<td>Non-Degree</td>
<td>10.9</td>
<td>9.2</td>
<td>-15.5%</td>
</tr>
</tbody>
</table>
In May 1995, in response to the increased administrative interest in the generic concept of Responsibility Center Management (RCM), the President appointed a steering committee to evaluate the merits of different versions of this particular approach to planning and budgeting. The method of institutional financing and budgeting was one of the questions posed in the aforementioned list of seven questions in the 1995 Issues and Positions Supplement. Over the summer of 1995, the committee prepared a report to guide the evaluation of the merits and design of RCM for the University of Minnesota. The report served as the basis for continuing discussions about the gradual implementation of RCM, now referred to as Incentives for Managed Growth (IMG).

The first part of the report answered a series of questions about the nature and purpose of IMG and its appropriateness and applicability to the University of Minnesota. The second part provided information on four key areas of the budgeting process (tuition, facilities, indirect cost recovery (ICR), and state funds). A major finding of the committee was that many elements of IMG already existed at the University, some for several years. IMG was not a radical change or a totally new approach to planning and budgeting, but rather a continuation of an evolutionary process. The committee believed that some changes could be phased in during fiscal year 1996-97, with full implementation in 1997-98 fiscal year.

Periodically in the first two years of the implementation of IMG, the administration has reported to faculty and others on the effects of the implementation of IMG. Although the new approach has helped address certain concerns, it also has raised questions about possible negative effects on interdisciplinary activity.