



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee  
164 Food Science and Nutrition  
1334 Eckles Avenue  
St. Paul, Minnesota 55108  
Telephone (612)373-3226

SENATE CONSULTATIVE COMMITTEE AND  
SCC CONVERSATION WITH THE PRESIDENT

Thursday, February 3, 1983  
12:30 - 3:00  
Regents Room, Morrill Hall

AGENDA

- 12:30 1. Minutes of January 20 (enclosed or sent previously)
2. Report of the Chair.
3. Report of the Student Chair.
- 12:40 4. Committee Reports
- a. Finance - Sundquist.
- b. Planning Council - Sundquist.
- c. University-Industry Relations - Pratt.
- 1:10 5. Senate meeting of February 17 - David Giese, guest.
- a. Business and Rules Committee motions.
- b. Remainder of Senate agenda.
- 1:45 6. Conversation with the President (letter enclosed).
- 3:00 7. Adjourn.



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MINUTES  
SENATE CONSULTATIVE COMMITTEE  
February 3, 1983

APPROVED 2/17/83

Members present: Ron Bonaguidi, Phyllis Freier, Barry Hogen, John Howe, Anne Hunt, Julie Iverson, David Lenander, Rick Linden, Marv Mattson, Douglas Pratt, Paul Quie, W. D. Spring, Burt Sundquist, Pat Swan, Chr., John Turner, Kathy Watson.

Guests for all or part: Carol Pazandak, Jim Borgestad, Maureen Smith, David Giese, Eleanor Fenton, and Donna Seese and Dick Ericson (Daily).

The meeting was called to order at 12:55 p.m. by Chairman Pat Swan.

1. The minutes of the January 20 meeting were approved with one correction submitted by Paul Quie: top of page 3, line 2 and the rest of that paragraph should read as follows:

Dr. Quie answered that some support from the medical school is received by affiliated hospitals for undergraduate medical student education, but most hospitals actually pay the University Medical Center while providing training opportunity for post-graduate residents.

2. Report of the Chair. Swan.

A. The FCC has scheduled a "Faculty Night Out" for Thursday evening, March 10, to include a Campus Club dinner and the women's basketball game.

B. The Tenure Committee and the FCC will co-sponsor a hearing on tenure code revision, tentatively scheduled for Friday, February 18, 2-4 p.m., in the Regents Room, with telephone hook-ups to the coordinate campuses. (Note: time is changed to 2:30 - 4:30.) The committees are seeking additional faculty viewpoints before the Tenure Committee completes its redrafting.

C. Professor Swan distributed copies of her memo to the SCC on the report "International Students at the University of Minnesota." Dr. Pazandak, who chaired the committee that compiled the report, told SCC that the American Council on Education had suggested American colleges study this area because of the trend of increasing numbers of international students at U.S. institutions. President Magrath's interest also encouraged the study. The University had not looked systematically at the well-regarded International Student Advisory Office since its founding. The report is being distributed to administrators and other groups with whom Dr. Pazandak consults.

Discussion of the report will be on the SCC agenda for February 17. SCC members may borrow a copy of the report from Dr. Pazandak.

3. Report of the Student Chair. Lenander

A. Mr. Lenander has asked President Magrath if SCC could obtain a breakdown of the cuts resulting from programmatic planning for non-academic units similar to the report showing academic unit cuts which is proving a very useful reference. The President agreed the information could be provided. Professor Swan added that Vice President Bohlen will take part in the March 3 SCC meeting and will provide those data.

B. There is much interest in the Student Experience planning theme. The Student SCC wants to arrange to meet with the new Assistant Vice President for Academic Affairs shortly after that person is named. Professor Howe recommended that the full SCC also meet with the new administrator.

4. Business and Rules Committee. David Giese, Chairman.

A. Senate agenda for February 17 meeting.

(1) Professor Giese described his committee's proposal for Academic Professional class employees' (9700 category) representation in the Senate, which will be on the agenda for information and discussion. Business and Rules will formulate any changes shown to be necessary, and present a motion for action at the May 5 Senate meeting.

Business and Rules is recommending Senate eligibility for academic professionals who are on continuing appointments, on probationary appointments, and on 3-year contracts (possibly also those on 2-year contracts). Such persons would be added to a unit's number of faculty to determine the number of senators to which the unit was entitled. The number of persons presently in this category is between 30 and 40, most of whom are in Continuing Education and Extension. All presently so categorized once had faculty appointments and have lost their faculty status. Therefore, the total number in the Senate will be about the same as it was five years ago, and perhaps five more than the present membership.

Professor Giese said there should be time to make the necessary constitutional changes prior to the Senate elections for 1983-84.

Professor Spring inquired as to the viewpoint of faculty in the units affected. Professor Fenton of CEE said the faculty in her unit strongly favor the proposed change; they believe CEE needs that representation. Their faculty members (and hence their Senate membership) have been cut by about half in recent years.

Professor Giese reported that Business and Rules had informed the Academic Staff Advisory Committee of its proposal. The Advisory Committee endorses the proposal and has so informed the SCC by letter.

The Consultative Committee expressed its approval of the Business and Rules Committee taking the item to the Senate for information.

(2) Student representation in the Senate. Professor Giese reminded the SCC that some student seats go unfilled because no student files in one or more units. One result is that there is not the proportion of students in the Senate that the Senate intended when it established the faculty/student ratio. Rather than propose a formal adjustment at this time, Business and Rules has voted to take steps to encourage all units to fill their student seats in the next election.

(The SCC meeting agenda was set aside from 1:10 to 2:10 for the Conversation with the President, and then continued.)

B. Twin Cities Campus Assembly agenda for February 17 meeting.

(1) Recreational Sports Committee's annual report will contain the announcement of its intent to be disestablished and will declare the committee's support for creation of a new Recreational Sports governing board. Professor Giese reported the point of view of some interested persons that a new governing board should have absolute budgetary control over the Recreational Sports fund. He speculated that there are issues many members of the Assembly may not want to have removed from Assembly control.

Professor Giese told SCC he was puzzled by the rec sports governance enthusiasts wanting to make the new board in essence a subcommittee of ACSA and hence return it to a system of reporting through an Assembly committee instead of reporting directly to the Assembly as in the current constitution. The Assembly Committee on Student Affairs through which the proposed new board would report might or might not have time to consider the issues.

Kathy Watson told SCC that about 85% of the entire Rec Sports budget comes from student fees and totals over \$500,000 per year, yet there is no student control over the way the money is used. It was a desire for a student hand in policy-making including budgetary control that prompted the movement to establish a governing board to take the place of the Assembly committee.

Professor Spring pointed out the importance of Committee on Committees studying the proposed change; that committee should have some idea of why the Recreational Sports Committee has the status it has in the new constitution and would take a longer-range view of any need for the committee's existence.

Professors Swan and Giese said the item would come for information at the February Assembly meeting. Business and Rules and the Committee on Committees will study the question and perhaps bring a constitutional change motion for action at the May 5 meeting.

C. Twin Cities Campus Faculty Assembly agenda for February 17.

(1) Approve nominating committee for Committee on Committees. Professor Swan reported the names of the five faculty members who have agreed to serve: Jim Bodley, Lorne Chanin, Norman Garmezy, Shirley Garner, and Deon Stuthman (Chr.).

(2) Approve slate of 6 candidates for 3 Twin Cities Campus Assembly Steering Committee positions.

D. Content of Senate and Assembly printed docket and minutes.

What part, if any, of material distributed at the meetings (such as faculty salary data) should be entered in the minutes? The SCC suggests that the Senate and Assembly minutes reference any hand-out materials and that those materials be made available in the office of the Senate Clerk.

5. Committee reports.

A. Senate Finance Committee. Sundquist.

Professor Sundquist distributed copies of his interim report and commented on it to the SCC. He restated the question on many faculty minds which he had put earlier to the President and Vice President on the purpose to which central administration will put recaptured monies.

Regarding underlying principles, he said SFC would like to know what the scorecards resulting from planners applying the criteria for prioritizing tell about how the University should actually prioritizie.

Professor Swan asked if SFC thinks relative priorities within the units have changed as the real constraints have increased. Professor Sundquist replied that he could not measure the shift even though more units presumably now have to be targeted for reduction.

Mr. Lenander recommended that eventually the SCC and the Senate have for discussion program priorities applying to the University as a whole, priorities which would go on to the Regents. We want to avoid a "hidden agenda," he said. We have no way of knowing how each unit applies the principles the University gives them. He wondered how various elements play in the adjustment equation-- for example, while some dollar changes in program allocations clearly reflect demand, as in Management and IT, in other cases, such as Public Health, the reason for a zero dollar cut was not clear from the documentation presented to the SCC and the Senate.

Professor Sundquist observed that there seems to have been more intra-unit application of the principles for prioritizing than Universiy-wide application. While acknowledging the problem that can result from publicizing specific long-run priorities, he added that it is hard to judge how well implementation is going without having identified those priorities. He said SFC repeatedly asks the central administration what priorities we are working with and what strategies are being employed.

Professor Spring added that the University finds it is still unable to take all the cuts in the way the priorities would dictate because so much of the budget is fixed in salaries. Matching cuts to planning therefore may take another biennium. Professor Sundquist said 80%-90% is highly fixed. Therefore 6% base cuts cut heavily into the tappable pool of funds, which includes largely supply and expense and TA's.

Professor Howe noted that SFC efforts to track cuts and compare them with plans while working through ever new overlapping layers of retrenchment will become even more difficult.

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University Planning Council. Professor Sundquist referred to the final section of his written report. The President's February 1 letter to deans also refers to Planning Council work. There is to be some shift in content in the next round of planning.

The meeting adjourned at 3:10 p.m.

Respectfully submitted,

*Meredith Poppele*

Meredith Poppele, SCC  
Executive Assistant

February 3, 1983

For Information: Report of the Senate Finance Committee

The Committee has held nine meetings during the current academic year and the main focus of attention has been on about seven items:

- 1) The 1983-85 biennial budget request,
- 2) The 1983 capital (building) request,
- 3) The Financial Aid - Tuition situation of students,
- 4) The so called "Strategic Fiscal Planning Model" developed by Management Planning and Information Services to project future University revenues and outlays,
- 5) Data development relative to "salary matching" in support of requests for future faculty salary increases,
- 6) The latest round of budget retrenchments:
  - a) \$1.5 million reduction in state contribution to Civil Service retirement (mandated)
  - b) \$1.9 million reduction in state contribution to the faculty retirement fund
  - c) \$3 million permanent reduction in University O & M budget,
- 7) The planning process for the next two years which is designed to identify \$15-18 million in retrenchable funds for 1983-84 (about 6% of the state funded budget base) and about half that amount for 1984-85.

In general, the 1983-85 O & M budget and 1983 capital requests appear to be well done and well supported. Our committee felt that, in principle, both were consistent with immediate University needs and future priorities. At the same time, they recognize the State's stringent budget situation.

Similarly the biennial salary request for the next biennium (8% for 1983-84 and 9% for 1984-85) is consistent with University Senate action, with the principles of recapturing purchasing power lost by faculty in the 1970s, with modest recognition of some critical market and retention phenomena and with the State's critical budget situation.

We expect to do some additional analysis of the student financial situation relative to future tuition and financial aid policies. Clearly, recent increases in tuition, a declining real value of financial aid programs and difficulties for student employment in the current economic crisis have put many students in a financial squeeze. We hope to complete this analysis by the beginning of Spring Quarter.

The committee reviewed the "Strategic Fiscal Planning Model" and noted its high accuracy in tracking the past income inflows (legislative appropriations and tuition) and expenditure outflows for the University. Future projections using this model indicate a continuing budget deficit (and a continuing retrenchment scenario) for the University of the next several years. Thus, unless the past pattern of income and expenditure relationships can be modified, we need to continue to prioritize University programs and reallocate resources in support of high priority activities. We also need to work at modifying past income-outlay relationships.

The committee believes that selected use of faculty salary comparisons with other professional employee categories does effectively illustrate the continuing relative deterioration of faculty salaries. And, this can be an important input in supporting future salary increase requests. We cautioned, however, that not all faculty subgroups can be neatly compared with other employee categories and that salary matching must be done judiciously.

With respect to the current-year budget retrenchment (\$3 million recurring retrenchment plus a modest reserve against possible further retrenchments before June 30), the principles being used (no long term damage, no major interruption or delay in student programs and no significant "additional" financial consequences) appear reasonable but the short-run impacts will probably be more of a "situational" than a "long run priority" nature. The procedure(s) for recapturing the retrenched faculty retirement funds is still being evaluated and will probably be implemented starting July 1.

For the longer term, including the planned retrenchments for 1983-85, the committee has discussed our difficulties in making an effective input into the consulting process because:

- a) there are no well developed program priorities across the major units and programs of the University so it is hard to judge the appropriateness of targeted retrenchments for individual collegiate units and programs
- b) though the longer term planning process does provide mechanisms for systematic incremental program reductions, this longer term planning process needs to be guided by some apriori judgements relative to which programs (and units) are of highest priority and which ones are of lower priority.

We are hopeful that future budget retrenchments will be less severe and less sudden, thus permitting some increased flexibility in future financial planning for the University to realize program priorities and quality improvements.

Additional topics which have been discussed briefly by the committee are the financial impacts of

- 1) inloading and
- 2) increased correspondence between program costs and tuition rates for different programs (colleges).

Submitted by Burt Sundquist, Chairman

WBS:dg



See Sec 3/3



UNIVERSITY OF MINNESOTA  
TWIN CITIES

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Special Counseling Office  
x Morrill Hall  
100 Church Street S.E.  
Minneapolis, Minnesota 55455  
(612) 373-4066

January 31, 1983

Professor Patricia Swan, Chairperson  
Senate Consultative Committee  
166 Food Science and Nutrition  
St. Paul Campus

Dear Professor Swan:

The representation of academic staff in University governance is a significant concern of the Academic Staff Advisory Committee. The Advisory Committee has been apprised of the Business and Rules Committee's consideration of this matter and endorses their proposal that designated positions of the 9700 category be granted full rights in the University Senate. We urge the Consultative Committee to support this proposal and to recommend its adoptions by the Senate.

Please call upon me or Dr. Catherine Marienau (373-3919) if the Advisory Committee may provide any assistance in this effort.

Sincerely,

Nicholas K. Barbatsis, Chairperson  
Academic Staff Advisory Committee

NKB/tlm

cc: David Giese, Business & Rules Committee Chairperson  
Catherine Marienau, Advisory Committee Member  
Betty Robinett, Assistant Vice President for Academic Affairs

2/3/83

TENTATIVE TWIN CITIES CAMPUS ASSEMBLY AGENDA FOR FEBRUARY 17

- For information: plan to establish recreational sports governing board and disestablish Assembly Committee; for action on May 5.
- For approval: Twin Cities Faculty SCC double slate for ballot.
- For approval: Twin Cities nominating committee for Committee on Committees slate.
- For information: annual committee reports (Housing, Honors Programs, Student Behavior, University/ROTC Relations, Convocation and the Arts, Recreational Sports)

TENTATIVE UNIVERSITY SENATE AGENDA

- For approval: filling committee vacancies
- For info: Committee on Committees report on breakdown by categories (e.g., gender) of committee appointees in 1982-83
- For info: Business and Rules progress report on proposal for P/A Senate membership
- For info: Senate Finance Committee report and discussion
- For action: Social Concerns Committee resolution re registration and financial aid
- For info: annual reports from Senate committees (Tenure, U. College Assembly, P. Swan commenting on annual reports Use of Human Subjects)
- Questions to the President
  - faculty salary comparisons among the campuses

TENTATIVE FACULTY SENATE AGENDA

- For approval: Judicial Committee resolution.
- For action: filling committee vacancies
- Announcements
  - (a) Tenure Code Revision Hearing February 18
  - (b) Faculty Night Out March 10

*T.C. Senate Agenda*

*Report on Unit Counciling Mechanisms*

*From SCC / Planning*



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SENATE CONSULTATIVE COMMITTEE  
CONVERSATION WITH THE PRESIDENT

February 3, 1983  
1:10 - 2:10  
Regents Room

SCC members present: Bonaguidi, Freier, Hogen, Howe, Hunt, Iverson, Lenander, Linden, Mattson, Pratt, Quie, Spring, Sundquist, Swan, Turner, Watson.

Guests: President Magrath, Vice President Keller, Vice President Vanselow, C. Pazandak, J. Borgestad, M. Smith, D. Giese, D. Seese, R. Ericson.

1. Getting budget information to the Senate.

The Consultative Committee has requested President Magrath to make a brief presentation to the Senate in February regarding the University budget. The President agreed to make such remarks, reporting on progress in making adjustments within the current biennium, University planning and adjustments for the 1983-85 biennium, and the Legislature's receptivity to the University's biennial request. The governor's recommendation may also be available by the time of the meeting. The President will then respond to questions.

Vice President Keller said that the letter from himself and Vice President Vanselow to deans regarding adjustments in the current fiscal year could be available for distribution to the Senate.

Professor Swan told the President SCC members may re-ask questions they have already discussed in meetings with him because they believe the questions need raising before the full Senate as well.

Professor Sundquist reported that faculty members who call him in his capacity as Finance Committee chair are most interested in the administration's intentions for using the overall 6% base cut and, in the following year, 3% base cut. They ask whether it is needed to pay carry-over debt. Faculty understand the current retrenchment was mandated by state finances, he explained, but see the next reallocation as more judgmental. Hence they would like to hear more about it.

President Magrath replied that the need to acquire a pool of resources results from recent funding history, the erosion of the constant dollar, and the University's determination to control its destiny to some extent by setting priorities. The University wants to target scarce resources in flexible ways where they will do the most good. He said he would address this question as well in the Senate meeting.

Vice President Keller said he would have financial data in written form for distribution at the Senate. Mr. Lenander requested that they be sent to

the coordinate campuses in time for the meeting and the Vice President said they could be.

2. Unit planning.

Vice President Keller distributed two documents:

A. The President's February 1 letter to deans, directors and department heads about fiscal conditions and plans, institutional planning themes, and unit planning and implementation of the 1983-85 planning/budgeting process. This letter, said Dr. Keller, sets the stage for presenting the specific budget targets for each unit.

B. A unit-by-unit summary of responses from deans and provosts on involving students and faculty in a consultative process to be followed in the second cycle of planning (the Health Sciences unit responses are in but have not yet been summarized.) All units have responded. Some of the consulting groups are standing committees. Many have been created ad hoc, frequently by augmenting the standing departmental heads/chairs group with faculty and students. Dr. Keller said he believed the responses show genuine effort to respond to the request and reflect units' sense of the importance of the planning effort.

The SCC and the President and Vice President agreed to put the synopses of those responses, which comply with the Senate resolution of November 18, on the February 17 Senate docket.

3. Unit budget reduction targets.

Professor Swan asked Vice President Keller to report on the specific targets. Dr. Keller said the targets are pretty well in place, although the mechanism is not finally worked out for defining each target exactly. The budget executive prefers to give each unit a range and leave the budget executive flexibility for making final determinations after the deans' responses are in. Vice President Keller will meet with the deans shortly after they receive his letter given target ranges, to answer any of their questions.

The budget executive has also asked the deans to reply on how they would accomplish their plan optimally if there were no constraints other than that of the budgetary target, and to state what are the constraints that would have to be removed to achieve their plan.

4. Reductions in Health Science units.

Vice President Vanselow attended the SCC meeting briefly and addressed the points above. He reported that while Health Science units cuts can be spread over a two-year term he is requiring the units to capture some within the current year. He confirmed that all Health Science units have planning groups in place which include faculty and students.

5. The President and Vice President Keller distributed copies of the brochure, "1983-85 Legislative Request" prepared by University Relations.

The Conversation ended at 2:10 p.m.

Meredith Poppele, recorder



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1334 Eckles Avenue  
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Telephone (612)373-3226

*SCC copy*

January 27, 1983

President C. Peter Magrath  
202 Morrill Hall

Dear Peter:

We wish to propose that you make a brief presentation to the Senate at its February 17th meeting and that we discuss this presentation with you at our SCC meeting with you on February 3rd.

It is our belief that the Senate would appreciate hearing from you a brief update as to our progress in making budget adjustments within our current biennium and our planning for adjustments predicted to be necessary in the next biennium. It is likely that the Senate would also appreciate a brief comment about the receptivity of the Legislature to our biennial request.

If you are willing to make such a presentation, would you prefer that it be in direct response to certain questions from us which we have prepared beforehand, or would you prefer to prepare a presentation with the idea that we might try to emphasize certain points to you by questions from the floor after your presentation? Perhaps we can discuss these alternatives with you on the 3rd.

As you will note from our attached agenda, we have requested the Senate Finance Committee to report on their current deliberations. However, we are not certain that they will have had an opportunity, prior to reporting to us, to discuss the Budget Executive's work in setting planning targets for the next biennium. Therefore, if you think it useful, we would be glad to have a brief report on that effort.

There will be time on our agenda for you to raise any other issues, should you so desire.

Sincerely,

*Pat*

Patricia B. Swan, Chairman,  
Senate Consultative Committee

PBS:mbp

cc: SCC members  
Carol Pazandak



UNIVERSITY OF MINNESOTA

Office of the President  
202 Morrill Hall  
100 Church Street S.E.  
Minneapolis, Minnesota 55455

February 1, 1983

TO: Deans, Directors, and Department Heads

Dear Colleagues:

Over the past two years, the University's deans, directors, and department heads have been called upon to lead their units through some harsh fiscal times. That same degree of leadership will be required and further tested during the foreseeable future, not only within the confines of the University community but in the larger context of the State as a whole. In fact, unless we exert our leadership and make certain difficult priority, retrenchment, and reallocation decisions, our very future will be in jeopardy. This letter outlines the choices we must make and the plan I propose we follow.

#### FISCAL CONDITIONS AND PLANS

The 1980 Institutional Planning Statement depicted a restrained, if not pessimistic, fiscal reality for the decade. Three years later, that reality has proven to be even more sobering than originally thought. The condition of the economy in Minnesota and across the nation strongly suggests that we will not receive real dollar increases in public support in the near future. Indeed, we may well have to absorb additional reductions.

Since 1980, the University has, in fact, suffered four mid-year budget setbacks, setbacks that not only hampered our efforts to plan and budget prudently, but that also forced extremely difficult decisions upon our deans, directors, department heads, and faculties. Clearly, this pattern of starts and stops and sudden changes in our resources detract from our quality. Just as obviously, we would be well served if we can limit such mid-year changes in future biennia. Accordingly, I am directing the Vice Presidents to initiate a process that is designed to generate an \$18 million retrenchment and reallocation pool of funds for 1983-84 and an additional \$9 million for 1984-85. This effort will require tuition increases over and above the inflation rate and the legislative intent level. It will also necessitate budget base reductions of approximately 6 percent and 3 percent over those two years.

While it is clear that to reach these targets will require some difficult decisions, I believe that this pool of funds is essential if we are to have the vital flexibility we need to preserve or enhance existing quality, to develop new initiatives, or to assist hardpressed, high priority programs and services. At the same time, some of those same funds will also be required to accommodate previous resource retrenchments and possible future reductions in State support.

The achievement of these target levels will have consequences for faculty and staff, and our plans must be sensitive to such consequences. Our plans should also reflect the fact that cutting programs and raising tuition will limit student access to certain programs. Moreover, although our enrollments have recently been at all-time highs, we must recognize that the number of 18-22 year-olds will decrease during the latter half of the decade, forcing additional resource shifts that will affect our students, faculty, and staff. Thus, although I realize that the process will be painful, I am convinced that it is essential.

#### INSTITUTIONAL PLANNING THEMES

The identification of unit priorities is best made by the individuals who are most familiar with a unit's programs: faculty, department heads, deans, and directors. At the same time, consideration should be given on both an institutional and unit level to those broader pursuits that distinguish the University of Minnesota from any other resource in this State.

One such emphasis should be the quality of our major graduate and research programs. Recent national studies have confirmed that the University is among the leading graduate and research institutions in the country. Yet, declining ratings in some fields give cause for concern and must spur us on to renewed efforts to maintain and develop the most precious and elusive of assets that we call quality. The quality of our graduate and research activities merits special concern regardless of the external economic climate and quite aside from other pressing demands upon University resources. Accordingly, I propose that specific attention be given to maintaining and enhancing selected graduate and research programs in our next planning cycle.

A second theme that I propose be given institution-wide emphasis relates to our broad mission of serving the people of Minnesota. Our track record here is an impressive one. We carry out a variety of activities that directly benefit our many constituencies, and we perform most of those activities with great success.

Presently, the State is asking us to do even more in one particular arena, namely, promoting economic development in Minnesota. The request is an urgent one, not so much, perhaps, in terms of the next one or two years as in terms of the next one or two decades. Where Minnesota will find itself at that time will be determined, to no small extent, by the ideas, research, services, and education which emerge from the University during the immediate future.

The challenge will require not only a reexamination, but in some cases, a reordering of institutional and unit priorities. It will require a continued commitment to planning and difficult decision making. It will also require the academic and the political communities to look beyond short-term demands, enrollment fluctuations, and funding formulas to the long-term prosperity of this State and the University's role in advancing that prosperity.

As Minnesotans, we have a stake in the future welfare of this State, and as members of a State-assisted enterprise, our stake is all the greater.

Harsh as it may sound, this institution will not enjoy the level of funding it deserves until Minnesota's larger economic problems are turned around. As presumptuous as it might sound, the State's economy can be greatly enhanced by our creativity. Accordingly, I believe we have an obligation to take up the State's challenge, and I am proposing that one of the central themes in our next planning cycle be directed toward promoting University activities that would enhance economic growth in this State.

In singling out that theme, a number of explanations bear mention. First, the phrase "economic development" should not be narrowly construed. It is not the province of a single academic discipline or methodology much less of a single campus or college. Second, the pursuit of this theme must be made within the context of other traditional institutional and unit priorities. Existing high quality programs whose activities do not lend themselves directly to the advancement of the economic theme should not be sacrificed; such programs are valuable in other ways, and often indirectly contribute to the quality of life in this State.

Finally, other previously proposed themes should also be considered in our institutional plans, even though the implementation of such emphases may be restricted due to limited resources. I refer specifically to efforts to improve the student environment, enhance international programs, and adopt new computation, communication, and information technologies. To the extent that unit resources permit, these activities should be increased. However, to the extent that additional institutional resources will be required, there will be some delay.

#### UNIT PLANNING AND IMPLEMENTATION OF THE 1983-85 PLANNING/BUDGETING PROCESS

Program priority setting will continue to serve as the basis of our planning and budgeting process. Such priorities reflect the academic values of a unit, and of the institution, as to the quality and direction of its activities. The factors to be considered in setting program priorities include the criteria that were discussed last year by the Senate Consultative Committee, the Senate Finance Committee, and the Budget Executive and that were used in previous budget planning processes: quality; connectedness (service to other units); integration of teaching, research, and service; uniqueness; demand; and cost-effectiveness. As decisions are made, and timetables for implementation drawn up, careful consideration must also be given to our obligations to faculty, staff, and students and to the achievement of the goals projected for the hiring of women and minorities.

The specific budget targets for each unit will be given as part of the planning instructions to be issued shortly to deans and directors by the appropriate Vice President. Subsequently, programmatic and service level changes will be discussed between each unit and the respective Vice President, involving the mechanisms for faculty/student participation that have been identified in response to the recent Senate resolution. The result will be a revised or updated set of unit plans and planning memoranda recommended by the Budget Executive and approved by me in the late Spring of 1983. Following that, a 1983-84 budget will be prepared and presented to the Board of Regents for approval.



February 1, 1983

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The challenge I've outlined is not an easy one. If, however, we fail to act, we will continue to face mid-year stops and starts, and we will continue to witness the erosion of our institutional quality. We cannot afford the price of mediocrity.

Cordially,

C. Peter Magrath  
President

CPM:kb

cc: University Vice Presidents  
Dr. James T. Borgestad, Special Assistant to the President  
Dr. Carol H. Pazandak, Assistant to the President

AGRICULTURE - Ad ad hoc Advisory Committee (six faculty, one undergraduate, one graduate, one civil service, one department head) to assist with planning and budget priorities. Will work in conjunction with other established groups (department heads, the College Assembly, the Faculty Consultative Committee) to develop and refine College of Agriculture plans.

BIOLOGICAL SCIENCES - A committee composed of a faculty member from each department in the College, one undergrad, one graduate, will be responsible for the initial preparation of the second-cycle plan. Plan then goes to the Administrative Committee of CBS for comment and redrafting. (Administrative Committee includes all department heads, two undergraduates, two graduates, one civil service person, one associate dean, and two academic professional staff.)

CONTINUING EDUCATION - Plans will progress through the Planning Committee (three department heads, plus deans and administrative director, plus Vice Chair of the CEE Council) to the Department Directors' Group to the CEE Council (the CEE Council is made up of 24 people including a maximum of eight department heads and the remaining sixteen members a mix of faculty, professional and administrative staff, and soon-to-be-added a student).

EDUCATION - Faculty/Student Consultative Committee (five faculty, one student) advises the Dean. Civil service personnel not on this committee usually but for second-cycle planning the chairperson of the College of Education Staff Association will be invited to attend meetings when planning is being discussed.

FORESTRY - The Executive Committee (Department Heads, Director of Graduate Studies, Director of Student Services, Coordinator of Cloquet Forestry Center, Coordinator of Recreation Resource Management, Director of Remote Sensing Lab, Program Leader of Renewable Resources Extension, Chair of Faculty Consultative Committee, Assistant to Dean, Dean, three faculty members, three students, and three civil service personnel) will work with planning.

GENERAL COLLEGE - The Long-Range Budget and Planning Committee is the working group (seven faculty, three civil service people, one student).

GRADUATE SCHOOL - The Executive Committee is the main planning body. It includes the six chairs of the Policy and Review Councils, the Deans of the Graduate School, the chairs of the fellowship committee and the Research Advisory Council, the chair of the UMDuluth graduate faculty committee, four graduate students, one civil service person. This body delegates issues to the Policy and Review Councils and the UMD Graduate Faculty Committee as appropriate.

HUMPHREY INSTITUTE - The main working body for planning will be the Executive Committee (comprised of the three directors of the main educational programs plus one more faculty member plus the Administrative Director). There will be full faculty consultation and two representatives from the Public Affairs Students' Association attend faculty meetings. The final budget a consensus within the body of professors, fellows, senior staff and student leaders who meet every three weeks.

HOME ECONOMICS - The Dean of the College and the Policy and Planning Committee of the College have primary responsibility for planning at the collegiate level. Policy and Planning Committee consists of one faculty from each department, three faculty at large, two undergraduates, two graduates, and one civil service person. (The Dean, Associate and Assistant Deans, and Extension Home Economics Program Leader are ex-officio and non-voting members.)

LAW - Plan will be drafted by a small working group made up of the President of the Law School Council, selected members of the Consultative Committee, and one administrator representing the civil service employees. (The Law School Council is made up of ten students; the Faculty Consultative Committee has seven faculty members plus the Dean.)

LIBERAL ARTS - Council for Policy and Planning (twelve faculty, two undergraduates, one graduate, one civil service person, Dean and Associate Deans, the Directors of Honors and Student Academic Support Services, and the chairs of five faculty committees) is the representative group working with planning. Its actions must be approved by the College Assembly.

MANAGEMENT - The Executive Committee (fourteen chairs, directors, associate deans, assistant to deans, and dean) plus three faculty and four students will be the group advising the dean on planning priorities.

UNIVERSITY COLLEGE - The College Assembly is the primary group dealing with program ranking and unit priorities. This body includes faculty, students, staff, and civil service personnel.

VETERINARY MEDICINE - Consultative groups for the second planning cycle are: Long-Range Planning Committee (administrators, civil service staff, and students), the Faculty Council, the Student Council, and the Civil Service Council.

UNIVERSITY LIBRARIES - A Central Planning Committee is being established comprised of three departmental directors, four chairs of library-wide planning committees, two academic staff, two civil service staff, and the University Librarian. The Library Director will substantively review planning with the Senate Library Committee which does have faculty and student members who can then respond and participate in the planning. Minutes of Planning Committee meetings will be published in the Library newsletter.

INSTITUTE OF TECHNOLOGY - A Planning Committee is being formed which will be advisory to the Dean. Committee will have four faculty, two department heads, and two students (one from the honor society and one from the student board), and the Associate Dean as an ex officio member. On approval of the dean the plan would be forwarded to the IT Administrative Council for adoption by the college.

CROOKSTON - Has a planning committee that represents faculty and students.  
Assistant Provost meets with that committee to develop recommendations.

DULUTH - Provost's Group (the Assistant Provost, three Vice Provosts and the Provost as Chair) will assume responsibility for campus planning coordination and consultation with members of the University community. Administration will work with the UEA in a meet and confer mode as the exclusive representative of the faculty. This procedure for consulting with faculty will be supplemented as appropriate when a governance system is reinstated on the Duluth campus. Consultation with students, professional staff and civil service will be accomplished through the elected representatives of the respective organizations.

MORRIS - Campus Planning Committee (seven faculty, four students, one civil service person, the Academic Dean, the Assistant Provost, the Superintendent of Plant Services) is the working group. Plus there will be usual ad hoc consultation between units, groups, or individuals most directly affected by actions to be taken.

WASECA - Campus Planning Committee (the Administrative Committee which is comprised of unit heads, the presidents of the Faculty Association, = UEA the Student Association, and the Civil Service Association) is the working group.

*Marsha planned Gary Sheldon, as Asst Provost:*

*Waseca fac. <sup>not used</sup> meet & confer mode.*

*Waseca fac. <sup>not used</sup> through administrative line.*

*+ a student faculty group*

*None of the present recommendations - not*

*UEA, <sup>UMW</sup> no, administrative, <sup>UMW</sup> faculty, <sup>UMW</sup> <sup>UMW</sup>*

*students*

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**1983-85  
Legislative  
Request**

**University  
of  
Minnesota**

## A few examples

A chart at right lists all items for which additional funding is sought. Below are brief explanations of a few of those requests.

**Library Acquisitions** — Serious underfunding of library acquisition on the Twin Cities campus is damaging the quality of all University teaching and research. The request of \$2.5 million includes \$400,000 to increase the library acquisitions budgets of the Duluth, Morris, Crookston, and Waseca campuses, and \$300,000 for the Law Library.

**Instructional Equipment Replacement** — The University is also falling behind in its replacement of instructional equipment. The request is for \$4 million, which would be dedicated to instructional needs in Technology, Law, Waseca, UMD Psychological Research, UMD Technical Studies, Crookston (including computers), the Handicapped Student Program, Dentistry, and Veterinary Medicine.

**Institute of Technology** — A relatively small investment of additional state funds would address growing demands and produce significant payoffs for Minnesota's technical capabilities. The \$500,000 would be used to hire faculty in computer science and electrical engineering, two areas in which enrollment demand has been heavy and the quality of the programs can benefit substantially from the addition of new faculty.

**College of Veterinary Medicine** — Adding faculty and staff to the College of Veterinary Medicine (\$300,000) and the Veterinary Medicine Teaching Hospital (\$750,000) would relieve excessive demands on faculty. With the addition of more staff members at the hospital, case loads could be restored to appropriate levels and standards of patient care improved to an acceptable and accreditable level.

**School of Public Health** — Only 20 percent of the funding for the school in recent years has come from the state. Now the loss of federal training grants is threatening the ongoing programs. The \$500,000 requested from the state for 1983-85 is needed to offset the loss of some of these federal training grants.

**Agricultural Research** — Funding for agricultural research has resulted in substantial, documented benefits to the economy and the people of the state. Additional funding of \$1.4 million is now requested for new initiatives in such areas as food animal diseases and health care delivery, molecular biology of economic plants, and the production and processing of vegetable and forestry products to enhance the state economy.

## Requested increases

<b>Academic Pay Plan</b>	\$42,682,900
Subtotal	<b>\$42,682,900</b>
<b>To Maintain "Same Level" of Activities</b>	
Inflation Adjustment (Supplies, Expenses, Equipment)	\$12,184,500
General and Law Library Acquisitions	782,000
Fuel and Utilities	12,594,500
Skilled Trades Pay Increase	1,785,600
Solid and Hazardous Waste	1,426,300
Subtotal	<b>\$28,772,900</b>
<b>Program Improvement/Expansion</b>	
Faculty/Staff Improvements:	
Institute of Technology	\$ 500,000
College of Veterinary Medicine	300,000
Veterinary Medicine Teaching Hospital	750,000
School of Public Health	500,000
Instructional Equipment Replacement	4,000,000
Remodeling/ Renovation of Academic Facilities	1,000,000
Computing:	
Instructional and Graduate Students	886,000
Research Grant Support	250,000
General and Law Library Acquisitions	1,718,000
International Activities	335,000
Financial Aid Computer System	520,000
Internal Legal Staff	400,000
Administrative and Student Financial Aid Data Base	1,200,000
Operation of Facilities	125,600
Special Appropriations	
Agriculture:	
Agricultural Extension Service	909,400
Agricultural Research	1,400,000
Health Sciences:	
Contingency, Capitation Replacement	676,800
Medical Research	200,000
Medical Services and Instruction	75,000
Special Hospitals, Service and Educational Offset	1,500,000
Others:	
CLA Center on Critical Literacy	100,000
Disadvantaged Student Retention	170,000
Fellowships for Minority/ Disadvantaged Students	200,000
Fire Information, Research, and Education Center	200,000
General Research	300,000
Lake Superior Basin Studies	40,000
Micro-Electronics and Information Science Center	1,400,000
Mineral Resources Research Center	100,000
Sea Grant Institute	200,000
Student Loans Matching Funds	(150,000)
Summer Session and C.E.E. Supplement	675,000
Veterinary Diagnostic Laboratory	287,000
Subtotal	<b>\$20,767,800</b>
<b>TOTAL</b>	<b>\$92,223,600</b>

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## Salary increases

The quality of the University rests on the quality of its faculty, and eroding faculty salaries are a major concern. Faculty salaries are the top-priority item in the request: \$42.7 million of the \$92.2 million that is being requested is for salary increases of 8 percent in 1983-84 and 9 percent in 1984-85.

In the decade of the 1970s, while the average expendable income of Minnesotans rose 8 percent, University faculty experienced a 20 percent loss in purchasing power. The problem is a national one. The January 1983 issue of *Harper's* showed that real income rose as much as 29 percent, 16 percent, and 15 percent in some employment groups. At the bottom of the list were college professors, with a 21 percent decline.

In some fields, graduating seniors can expect to earn more in their first jobs than their faculty members earn at the assistant professor level. Faculty members in engineering now earn 60 percent of the salaries of their counterparts in industry. Academic salaries have always been lower than salaries in the private sector, but the growing difference is driving some productive and promising faculty members into other employment.

Salary increases for civil service staff members, which are funded separately, are not included in this request.

## A quick look

The University's request can be considered in three segments: the faculty salary increase (\$42.7 million), the money needed to stay even (\$28.8 million for such items as an inflationary adjustment and projected increases in fuel and utilities), and programmatic increases (\$20.8 million).

Students are now paying 37.5 percent more in tuition than they were paying two years ago. The percentage of instructional costs paid by tuition has risen from 24 percent four years ago to 32 percent in 1982-83.

State funds account for only 33 percent of the University's total budget, but state funds and tuition pay most of the cost of the ongoing instructional program. Federal funds and private gifts are usually targeted for research projects or other specific programs, and both federal and private sources look carefully at state support and the basic health of a university in making their decisions. Any weakening of the state's financial commitment would cut into the heart of the University.

Mech. Agric. Add'n. & Recvg Dock, Vehicle Stor., Waseca	1,111,000
Rec. Sports/Phys. Educ. Add'n., Wk. Dr., Waseca	330,000
Ag Res. Ctr. Remod/Addn, NW Exper. St., Crookston	468,000
Road Surfacing/Drainage, WC Exper. St., Morris	82,000
Mach. Storage Bldg., S Exper. St., Waseca	121,000
Forest Roads, Cloquet Forestry Center	38,000
Greenhouse Remodeling, Hort. Res. Ctr., Excelsior	150,000
Physically Handicapped Access, System-Wide	1,000,000
U Short Range Transportation Program, Twin Cities	1,650,000
OSHA and Life Safety Remodeling, System-Wide	900,000
Tree Replacement	500,000
Animal Waste Recovery Unit, St. Paul	403,000
Primary Electric, Mpls.	936,000
Primary Electric, St. Paul	1,114,000
Water Distribution, East Bank, Mpls.	403,000
Water Distribution, St. Paul	281,000
Sewer Separation, East Bank, Mpls.	160,000
Steam Tunnel, St. Paul	315,000
Heating Plant Boiler, St. Paul	9,200,000
Heating Plant/Steam Distrib. Study, Duluth	100,000
Coal Gasifier Modification, Duluth	440,000
High Pressure Steam Line, Phase I, Duluth	245,000
Coal Storage, Crookston	31,000
Water Main Rehabilitation, Crookston	88,000
Sanitary Sewer Rehabilitation, Crookston	208,000
Campus Services and Improvements, Crookston	500,000
Ring Road, Waseca	440,000
Sanitary Sewer, Hort. Research Ctr., Excelsior	87,000
Water Connection, Landscape Arboretum	181,000
Hazardous Waste Storage Facilities, Rosemount	75,000
<b>Subtotal, Other Pressing Needs</b>	<b>\$39,056,000</b>
<b>TOTAL</b>	<b>\$91,448,000</b>

## A longer view

Understandably, the University was hit hard when state policymakers were forced to make painful decisions fast in order to rescue Minnesota from the brink of economic bankruptcy. But in the long run, reduced funding for the University would not help the state economy but further damage it. A strong University of Minnesota will play a major role in the state's economic recovery.

The future economic health of the state is directly tied to the health of its major center of creativity. One example illustrates the point. All across the country, states are competing to woo high technology companies, regarded as the most important source of future industrial and employment growth.

In a recent national survey of 700 high tech companies, the Midwest — rated last for its climate — was given a higher composite ranking than any other region of the country. The overriding concern of most of the companies was "to find nests of skilled technicians and well trained professionals looking for work — nests that are often found near top universities."

Two out of every three scientists who now work in Minnesota's \$2 billion a year high technology industry received their college training at the University of Minnesota. But Minnesota will take itself out of the competition for high tech companies if it slights the intellectual center that attracts those corporations.

That intellectual center is already being short-changed. Hundreds of students are unable to get into overfilled courses in computer science, engineering, and other technological departments across the University.

The high technology example is dramatic, but the same case for support can be made for virtually every campus and college of the University. Programs throughout the University feed the economic prosperity and productivity of the state.

If support is not maintained for the nationally recognized programs in such critical areas as engineering, technology, and the sciences, and for such fundamental areas as the health sciences, agriculture, management, law, and the liberal arts, the state of Minnesota will compromise its future.



## Capital request

The University has divided its capital request into two categories: "critical capital requests" totaling \$52 million and "other pressing needs" that total \$39 million. The complete list is shown below.

Even more than the "critical" requests, the University's first priority is getting the bonds sold for the projects already approved by the legislature in past sessions (a total of \$36 million). These projects include \$17 million for Agronomy and Plant Genetics, Plant Pathology, and Soil Science and \$16 million for the Humphrey Institute and the School of Management.

The current request includes \$4 million to make up for cost increases that have occurred while these approved projects have been on hold, waiting for the bonds to be sold.

For new construction not yet approved by the legislature, the first priority is the Music Building (\$16 million).

### Critical Capital Requests

Supplement for Projects on Hold	\$ 4,068,000
Civil/Mineral Engineering, Mpls.	250,000
Animal Science Working Drawings, St. Paul	430,000
Music Building Construction, Mpls.	15,990,000
Smith Hall Remodeling, Mpls.	22,800,000
Microbiology Remodeling, Mpls. (Health Sciences)	3,710,000
Land Acquisition, S.W. Exper. Station, Lamberton	Authorization
City Sewer Relief, Southern Exper. Station, Waseca	97,000
Heating Plant Conversion, Mpls.	5,047,000
<b>Subtotal, Critical Capital Requests</b>	<b>\$52,392,000</b>

### Other Pressing Needs

Appleby Hall Remodeling, Wk. Dr., Mpls.	\$ 616,000
North Hall Remodeling, Wk. Dr., St. Paul	195,000
Elect. Engineering/Computer Sci., Wk. Dr., Mpls.	3,400,000
Green Hall Addition & Remodeling, Wk. Dr., St. Paul	618,000
Animal Science Phase B, Wk. Dr., St. Paul	996,000
Dairy & Nutrition Research Bldg., Wk. Dr., Rosemount	210,000
Rec. Sports/Physical Education, Wk. Dr., Twin Cities	748,000
Folwell Hall Remodeling, Construction, Mpls.	2,686,000
Mines & Metallurgy Remodeling, Phase I, Const., Mpls.	700,000
Williams Arena Remodeling, Phase I, Const., Mpls.	565,000
Public Health Remodeling, Const., Mpls. (Health Sciences)	4,432,000
Owen Hall Remodeling, Const., Crookston	1,399,000
Agricultural Operations Lb. Land Acq., Crookston	Authorization
Phys. Educ./Rec. Sports Complex, Wk. Dr., Duluth	633,000
Greenhouse, Morris	301,000