

MINUTES OF THE SENATE CONSULTATIVE COMMITTEE

June 14, 1979

The All-University Senate Consultative Committee convened its twentieth meeting of the academic year 1978-79 in Room 608 of the Campus Club on June 14, 1979.

Members present: Professors Brasted, Blake, Eaton, Glick, Keller, Morrison, Purple, Robinett, Schletzer, and Zaidi (Chair), and Messrs. Scott and Steve Carlson, Eckman, Kottke, and Ms. Liz Sands.

1. Meeting with President. The meeting with President Magrath to discuss the Committee's response to the Brown Committee Report on Reallocation (1980-82) was rescheduled for 11:00 a.m. on June 28 in the Regents Room. The agenda is as follows:

1. Status of Outreach Report
2. Status of legislative lobbyist for 1979-81
3. Status of Grievance Committee Report
4. President's Student Behavior Review Panel membership (4 students, 3 faculty members) - Mr. Eckman will mail his recommendations to the SCC.

2. Fees Committee membership. The Fees Committee Chair, Liz Keller, had requested a faculty replacement on her Committee for Professor Wendell DeBoer. SCC decided that the Committee on Committee's Faculty Interest Survey was an appropriate source and the names of John Clausen, IT, and Warren Gore, Agriculture, alternate, will be submitted.

3. Brown Committee Report on Reallocation (1980-82). Mr. Morrison distributed copies of the Response which was drafted by Professor Spring for UCBRBR. It supported the Report and recommended adoption of its principles and procedures, and it outlined a number of UCBRBR concerns. Professor Morrison summarized the principal features of the Report: Proposes a 2-year budget cycle that would straddle the biennium and a more programmatic and generalized approach

to the procedure. He said it avoided the fragmentation experienced in previous decision packages, but noted a possible disadvantage lay in the fact that, although it placed responsibility on administrative officers and provided for better accountability for decisions, it also provided for less consultation. SCC, he concluded, must work to ensure that the person(s) to be named as Budget Executive would have the appropriate kind of values, that there must be a strong academic presence in that office. It was noted that the emphasis would be on a programmatic approach, and discussions by deans with the Budget Executive would be on a programmatic basis. Deans would then allocate within their colleges to maximize programmatic objectives. The important feature is that the process is being integrated with a planning process. The Budget Executive would be chosen by the President.

On timing, the Committee was concerned that the schedule did not seem to allow for necessary interaction between Deans and Departments. Mr. Eckman said that the UCBRBR response seemed to rely on a sympathetic governor and legislature, which may not be the case in the future and there was no contingency plan for that eventuality. As the proposal stands, a budget base would be established by about February 1, 1980, as well as a provisional base for the next biennium which would, of course, be subject to change if necessitated by legislative action. It is important that the legislature see evidence that the University is managing its own affairs in an orderly fashion, that it comes well prepared to the legislature, and that its procedure is a matter which is open to that body.

On selectivity, it was agreed that was the area where consultation was especially needed. There is need for a good data base, but UCRRR's Data Base Committee has been frustrated in its efforts to get meaningful data. Development of a programmatic data base is very important. The Budget Executive would give each Dean an outline of general questions around which their meeting would take place, so that the Dean can come with answers on the appropriate programmatic issues. Mr. Carlson favored "across-the-board" procedures, as the fair way to deal with units. Professor Robinett disagreed, but was worried about decisions being made on the basis of insufficient data. It was agreed that uniformity in the application of criteria to achieve equity was imperative. Professor Morrison pointed out that there would be far less opportunity for real consultation with SCC than was afforded this year. The SCC had been consulted as to the criteria this year but not on the priorities, so it was in the position of giving the appearance of having participated in the process to a far greater extent than was actually the case. He urged that, since that was the case, the SCC should be sure that the Budget Executive would have the kind of perspective that SCC shares, and that the Budget Executive ought to be accountable for decisions and not hide behind SCC approval. SCC's input, he said, would be in setting up the process and in making judgments after decisions had been made. Professor Keller added that SCC should also judge the nature and quality of the data supplied. The SCC would be in a position to specify the kinds of data needed and to comment on its availability.

On applicability, it was agreed that the documentation of decisions should contain the reasons for priority rankings and those reasons should be

passed on to all of the faculty who would be affected by the decisions. They should in turn have an opportunity to respond. Professor Zaidi said it was important to recommend that SCC would make its statements after decisions have been made so it would be clear that SCC was in a position to evaluate the outcome and to see if it were consistent with the agreed-on criteria. The SCC role, he said, was to participate in the development of the process and development of the policy but not to participate in the actual determination of retrenchment and reallocation. It was agreed that whatever money was retrenched by the University should be used for the same general purpose for which it was retrenched.

On fragmentation, again the lack of a data base was cited, as well as the tremendous time commitment for those faculty members who would be participating in the process.

On criteria, once more the unsuccessful efforts of the Data Base Committee were brought up. Also, Professor Purple pointed out that one of the criteria not used sufficiently in the past was the history of units' use of resources.

On the Budget Executive and procedures, Professor Morrison reiterated his observation that the identity of the Budget Executive was a critical matter and the SCC should insist that it be consulted. He added that the SCC should emphasize that the officer would be central to the academic mission of the University and that, if the President did not serve as the officer, the Academic Affairs Vice President should serve or at least be central to the office. Mr. Eckman suggested that the Vice President for Planning was also important, since the procedure was to be a product of planning.

The SCC agreed that the UCBRBR Response and SCC's comments should be transmitted to the President by the Chairman. Mr. Carlson voted not to accept the Brown Committee process.

Professor Zaidi thanked UCBRBR, especially Professors Spring and Morrison, who had prepared the Report. He said the communication to the President would be drawn up by Professors Robinett and Purple and himself. He said the principal points to be raised were that timing was critical, documentation of the terms for consultation was needed, development of appropriate data was essential, the clarification of the SCC consultative role was important, and the importance of the academic nature of the Budget Executive and his/her/their responsibility and accountability and SCC's interest in the selection of that officer needed to be recognized.

4. Other matters. Professor Schletzer conveyed to the Committee the comment of a legislator who had indicated that Professor Keller had been the most effective lobbyist the University had ever had; the Committee applauded the comments.

There were thanks all around to Professors Zaidi for his leadership and to Morrison (UCBRBR Chair) for hard work during the past year.

Marilee Ward



UNIVERSITY OF MINNESOTA

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

June 1, 1979

Professor Mahmood Zaidi  
Chairman  
Senate Consultative Committee  
Room 537 Business Administration  
West Bank

Dear Professor Zaidi:

Thank you for your May 31 communication regarding our recent consultation on the reallocation relative to the 1979-80 budget. Both your general comments and the report transmitted through SCC by the University Committee on Biennial Request and Budget Review have been constructive and helpful.

As I verbally communicated to you on June 1, I am following SCC's advice on the key points: The President's Academic Contingency Fund will be maintained, but reduced from the projected \$275,000 to \$175,000. Similarly, the matching funds reserve for equipment requests will be reduced from \$100,000 to \$50,000 and we will try to, to the extent possible, identify alternate sources for this important educational need. As a consequence, \$150,000 obtained from this reduction will be directed as additional allocations to these Twin Cities instructional units in the following amounts:

College of Liberal Arts	\$100,000
Education	\$ 20,000
Continuing Education and Extension	\$ 15,000
General College	\$ 15,000

The Office of Academic Affairs is developing the precise utilization of these instructional funds in consultation with the appropriate deans, who have been notified of these decisions. Finally, Vice President Koffler and Associate Vice President Linck will see to it that the additional issues raised by UCBRR, some of which we discussed in our meeting on May 31, will be sent to you by June 14.

Professor Mahmood Zaidi, Chairman  
Senate Consultative Committee  
Page Two

I am also enclosing for your information a copy of the budget plan and various attachments sent to the Regents, as well as my covering letter to them, for their forthcoming consideration at the June 7-8 meeting.

Cordially,



C. Peter Magrath  
President

CPM:kb

cc: Vice President Henry Koffler, Academic Affairs  
Associate Vice President Al Linck, Academic Affairs  
Professor Fred Morrison, Chairman, University Committee on Biennial  
Request and Budget Review

Enc: Letter to the Regents dated May 31, 1979 with Attachments



UNIVERSITY OF MINNESOTA

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

May 31, 1979

TO: The Honorable Charles H. Casey  
The Honorable William B. Dosland  
The Honorable Erwin L. Goldfine  
The Honorable Lauris Krenik  
The Honorable Robert Latz  
The Honorable David M. Lebedoff  
The Honorable Charles F. McGuiggan  
The Honorable Wenda W. Moore  
The Honorable Lloyd H. Peterson  
The Honorable Mary T. Schertler  
The Honorable Neil C. Sherburne  
The Honorable Michael W. Unger

Dear Ladies and Gentlemen:

As communicated in my May 25 letter, I am transmitting here for your information my proposed 1979-80 budget plan which we will be discussing at our June Committee of the Whole session, scheduled to begin at 9:00 a.m. on Thursday, June 7.

The recommended budget plan, which is consistent with the principles you tentatively endorsed (Exhibit I) and with the recommendations I signaled in my May 25 letter, is outlined in Attachment A. (Since the compensation plan for 1979-81 non-bargaining unit civil service employees was distributed with the May 25 letter, it is not included here; in the event that you need one, Duane Wilson will have additional copies for your reference during our meetings.)

Exhibit IV of Attachment A is a recommended tuition schedule which addresses the tuition proposal I signaled in my May 25 letter and which we will also review at our Committee of the Whole meeting. As you will note, I am recommending an average tuition rate increase of 7%, which is consistent with the income offsets assumed in the legislative appropriation bill and with the Governor's recommendations. Since the Consumer Price Index (CPI) appears to be rising at a current rate of about 10%, average tuition costs in constant dollars are likely to drop next year for University of Minnesota students. The average percentage of instructional cost paid by our students (estimated to be 24.8% in the current year) is predicted to decline next year to a percentage that is no higher than 23.8%. This is because the estimated increase in authorized instructional funds is estimated to be over 11%, while the tuition rate will rise by an average of only 7%. In this sense, the Regents' and University's posture of holding tuition increases as low as possible has been accomplished.

Although the average tuition increase for University students will be about 7%, there will be, as always, considerable variations between instructional units. My associates and I will review these differences, answer questions, and provide whatever additional information you desire during our meeting. In the case of the University of Minnesota at Duluth, I am recommending that we follow the recommendation of UMD Provost Heller to change the current practice whereby we charge differential tuition by colleges without regard to student level. This current practice has the effect of driving Business and Education students into the College of Letters and Science, where tuition is lower, thus confusing the advising system. Because these are four-year programs, it seems to me unfair to apply the higher rates of the corresponding Twin Cities upper division colleges to the UMD lower division students. My tuition recommendation would correct this problem in 1979/80 by charging a single rate to all lower division Duluth students regardless of their college and two upper division rates -- one for Letters and Sciences and Business and Economics, and a slightly higher one for the more expensive Fine Arts, Education, and Social Development Colleges.

I am also recommending that we make a relatively minor adjustment in the non-resident tuition charges so that they will be more uniform and, in effect, conform to approximately 275% of the resident tuition charges. An accumulation of Regents' actions through 1977 had produced a tuition schedule with non-resident rates averaging about 275% of the corresponding resident rate, but there was considerable variation by tuition classes, with some non-resident rates being as much as 300% of resident charges and others as low as 256%. Although I believe that the overall ratio should be subject to review (see my comments below), there seems little reason for the ratios to differ for different colleges or student classifications. The plan recommended for your consideration makes the differential uniform at 256%, pending further consideration of the average differential, and is consistent with some modest steps in this direction that we took in 1978.

I should also note, as communicated in a March 15 letter to you, that I am recommending that we increase our tuition charges for the Evening Master of Business Administration (EMBA) program administered by the College of Business Administration on the Twin Cities Campus. By increasing our tuition charges by \$9 per credit (from \$31 to \$40) with some further increases in the next two years, we can significantly improve the quality of that program without cutting back other offerings. As can be explained in more detail if desired, this higher tuition will not impose a burden on our students and will enable our University to compete effectively in the local community to meet some needs that have been very clearly identified by Dean Lilly and his associates.

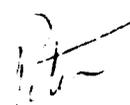
Finally on the subject of tuition, I have instructed Vice President Wilderson -- to prepare a plan for me to present to the Regents later this summer in which we will review the crucial recommendations of the Student Access Report and reach closure on the fundamental tuition recommendations that that report makes. The key recommendations in that report are those proposing that all tuition at the University be based on student credit hours rather than term charges, and that there be a single rate for all lower division students throughout the University. There are other issues as well, of course, but those are the major ones. We need to resolve these issues and, concurrently, develop a clearer and more consistent tuition policy. I am anxious that we resolve these significant issues no later than next fall.

Exhibit III of Attachment A summarizes my recommendations on the distribution of the \$3 million that was generated through our recently completed retrenchment process. These reallocation funds represent a component of the total budget, and like the other budget items, will also be reviewed at our Committee of the Whole session. I have already discussed these recommendations with the faculty at a public hearing as well as with the deans and the consultative groups. As a result of these discussions, I made some adjustments in my initial recommendations; Exhibit III of Attachment A summarizes my final judgments.

There are two additional attachments to this letter. Attachment B is a spread sheet showing the results of the legislative appropriation for the biennium. Attachment C is a recently published booklet discussing the indirect costs of sponsored research, which provides a useful overview on this complex and important subject.

Finally, I propose that we begin our discussions on Thursday with a brief overview of the sources of the University's budgets, a quick summary of major legislative appropriations relevant to the budget, and then move into a review of the major issues or questions raised by my recommended budget plan.

Cordially,



C. Peter Magrath  
President

CPM:kb

cc: University Vice Presidents  
Coordinate Campus Provosts  
Mr. Duane Wilson, Secretary to the Board of Regents  
Dr. James Borgestad, Special Assistant to the President  
Dr. Carol Pazandak, Assistant to the President

Enc: Attachment A -- Recommended Budget Plan Plus Exhibits  
Attachment B -- Spread Sheet of Legislative Appropriations in 1979  
Attachment C -- Booklet on Indirect Costs of Sponsored Research



UNIVERSITY OF MINNESOTA

Office of the President  
202 Morrill Hall  
Minneapolis, Minnesota 55455

June 1, 1979

TO: The Board of Regents  
FROM: President C. Peter Magrath  
SUBJECT: General Operations and Maintenance Fund Budget Plan for 1979-80

Attached is a copy of the General Operations and Maintenance Fund Budget Plan for 1979-80.

The budget plan being submitted complies with the budget principles tentatively approved by the Board at its March meeting. This budget plan provides guidelines for the comprehensive University budget which will be submitted at the July meeting. The comprehensive budget will include the civil service pay plan adjustments and will also include the effect of the budget plan on the Auxiliary Services, Support Services, and Special State budget.

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UNIVERSITY OF MINNESOTA

Budget Plan 1979-80

General Operations and Maintenance Fund

UNIVERSITY OF MINNESOTA  
Proposed Budget Plan 1979-80

General

On March 9, 1979 the Board of Regents tentatively approved a set of principles for the preparation of the 1979-80 budget. A copy of these principles is attached (See Exhibit I).

Resources and Use of Funds

The proposed budget plan being submitted today for approval contains additional resources of \$15,826,259 over the approved budget for 1978-79. The detail of these additional resources together with the proposed distribution of these funds is shown on Exhibit II.

The budget plan does not include the cost of civil service conversion increases approved by the Legislature for all State employees effective July 1, 1979. These costs will be billed to open appropriations held in the State Commissioner of Finance's Office. The exact impact of these changes estimated at \$3,727,000 will be submitted with the actual budget which will be submitted to the Regents in June.

The Civil Service Pay Plan was presented to the Board last month. In addition to conversion increases effective July 1, 1979, the plan calls for performance increases on January 1, 1980.

Fringe benefits for both academic and civil service staff were increased in the areas of life insurance, health insurance and dental insurance.

Reallocation

A variety of University Committees have been actively involved in examining and discussing methods of internally reallocating resources within the University

budget. There seems to be wide consensus that some form of reallocation will be absolutely essential as the University enters a period of restricted resources and stable or declining enrollments. Whatever reallocation system is eventually agreed upon for the future must reflect academic values, must be systemwide in its application, and must emanate from a process of consultation among all University constituencies. In addition, the criteria for determining reallocation decisions must evolve from a process of consultation.

A long-range and permanent reallocation plan must evolve and eventually be a part of a long-range institutional plan. Efforts to develop such a plan are underway. Obviously, the nature of this task is complex and will require much time and effort. The reallocation for 1979-80, therefore, was based on a set of interim guidelines prepared by representatives of the University Committee on Biennial Request and Budget Review, the Council of Academic Officers, and the Senate Consultative Committee. This plan called for a reallocation of 1.7% of the University's budgeted resources, or approximately \$3,000,000. The units contributing funds to the reallocation pool are identified on Exhibit III.

The reallocation proposal submitted to the Regents today was reviewed by the Council of Academic Officers, the Senate Consultative Committee and the University Committee on Biennial Request and Budget Review. College and unit requests were judged against the interim guidelines and represent to the best of our combined judgements the University's highest priorities for additional funding. The proposed schedule for reallocation is also identified as Exhibit III.

#### Tuition

Tuition rates submitted for approval have been increased by an average of approximately 7.0%. These increases are necessary to provide the funds required to offset against the budget approved by the Legislature in arriving at the University's appropriation. Gross tuition estimates have been made on the

assumption that historical patterns with respect to Wisconsin reciprocity students will prevail.

The schedule of proposed tuition rates and estimated tuition income appears as Exhibit IV.

#### Academic Salary Adjustments

After long and fruitful discussion with interested groups, committees, and individuals, I have gained many useful indications of the University community on the distribution of the 1979-80 salary funds." After carefully considering the alternatives, I am recommending that the 1979-80 faculty salary funds of 7.26% be distributed as follows:

1. Twin Cities' colleges and the coordinate campuses will receive an amount equal to 6.69 percent of their respective salary bases to be allocated as follows:
  - a) Every person who is a full-time faculty member on an appointment term of nine months or more will receive \$700 for an across-the-board adjustment. Those on less than a full-time appointment or on an appointment of less than nine months in duration will receive a pro-rated amount of the \$700. Note: The effective amount for this increase will be 2.46% of the academic base for the entire University.
  - b) The remaining 4.23 percent will be used for discretionary adjustments. The actual percent remaining for discretionary increases may be more or less than 4.23%, depending on the average salaries of individual units.
2. I am recommending a central reserve fund in the amount of \$500,000 for distribution across the University for unit/merit equity purposes, \$270,000 or 0.3 percent of which will come from the seven percent increase, with the remaining \$230,000 to come from the special salary

appropriation. I shall communicate my decision regarding these allocations prior to the time the budget must be completed.

The special salary appropriation of \$500,000 is intended to solve special salary-related problems throughout the University and is not intended for general salary distribution. As stated above, I am recommending the use of \$230,000 of this special appropriation to augment the \$270,000 of salary increase funds held centrally for unit/equity distribution. The funds remaining from the special appropriation will be retained centrally for special salary related problems. Because the \$500,000 was appropriated without corresponding fringe benefits, the sum of \$70,000 was committed for fringe benefits, leaving a balance of \$200,000.

Floors for assistant professors, instructors, research fellows, research associates, teaching specialists and research specialists will be increased by 7.0%

A separate allotment will be provided to fund increased compensation for graduate assistants. Graduate assistant compensation will be adjusted to accomplish these objectives:

1. To allocate new funds (a 7.0% increase) as to benefit all graduate assistants.
2. To provide for salary differentials between levels of graduate assistant ranks.

There will be no maximum salary adjustment for merit and promotional increases to be made in the 1979-80 budget.

The schedule distributing salary increase funds to units appears in Exhibit V. Floors and fixed rates appear as Exhibit VI.

#### Fringe Benefits

No major modifications of faculty insurance and retirement benefits are being recommended for the 1979-80 budget. The faculty will, however, share

in the increased benefits provided for all University employees, including dental insurance, increased hospitalization benefits, health testing and retirement life insurance.

Supplies, Expense and Equipment

The 1979 Legislature appropriated the sum of \$450,000 for increases in supply, expense and equipment budgets for the General Operations and Maintenance Fund and Special State Appropriations. This sum will be held centrally for selective allocations.

Student Services Fees

Changes in the Student Services Fee for all campuses have been approved by the Regents.

Laboratory Fees

Pending a comprehensive study of the entire tuition structure, I am postponing the elimination of the laboratory fee for 1979-80. The fee shall remain at \$2.00 per course, maximum \$6.00 per quarter.

Academic and Civil Service Positions

The 1979 Legislature appropriated limited funds for academic and civil service positions on all campuses. The detail of these allocations appear as Exhibit VII.

Indirect Cost Recoveries - Contracts and Grants

The Legislature provided the sum of \$250,000 during each year of the biennium from Indirect Cost Recoveries income as an incentive fund. This represents approximately 2½% of the estimated income. This sum together with the unassigned research, equipment and development funds also set aside from indirect cost recoveries (\$385,000) the \$100,000 appropriated for faculty travel will be reviewed by the Vice President for Academic Affairs and the Dean of the Graduate School to develop guidelines for allocation.

In the past, one of the budget principles approved by the Board of Regents states that income from reimbursement for indirect cost recoveries on contracts and grants be limited as follows: A portion will be imbedded in the regular budget as general income, and a portion will be allocated in the proposed budget for non-recurring items.

The proposed allocation of these funds for 1979-80 appears as Exhibit VIII.

Transfers of Special Appropriations

The 1979 Legislature approved the transfer of the following Special State Appropriations to the General Operations and Maintenance Fund:

- 1) Equipment Replacement
- 2) Library Supplement
- 3) Family Practice and Graduate Residency Program
- 4) Duluth - Basic Sciences Program for Medical Training
- 5) Duluth - Dental Hygiene Program
- 6) Duluth - Graduate School of Social Work
- 7) Veterinary Teaching Hospitals
- 8) Freshwater Biological Institute
- 9) University Galleries

Retired Staff

Included in the budget plan is a recommendation that the retirement pay of those who have already retired be increased by a modest sum to reflect changes in the cost of living. Funding for this item will be provided from appropriations made for this purpose.

Adjustments

The President requests authorization to make such further adjustments in the budget plan as are required to complete the preparation of the 1979-80 budget. Any adjustments will be reported to the Board of Regents in July.

UNIVERSITY OF MINNESOTA  
Proposed Budget Principles 1979-80  
February 9, 1979

In order to facilitate the preparation of the 1979-80 budget and to ensure that the subsequent operating budget for 1979-80 can proceed on schedule, the following set of general principles is recommended to the Board of Regents. The President will submit the precise dollar implications of these principles to the Board of Regents as a budget plan as soon as legislative appropriations are known. Final action on the budget will be recommended to the Board of Regents at its July meeting.

Consultation with the appropriate Senate Committee will take place prior to presentation of the final budget plan.

1. Enrollment and Tuition Projections

Actual enrollments for fall quarters of 1977-78, 1978-79, and the estimates upon which the 1979-80 legislative request was prepared are as follows:

	<u>Fall Registration</u>		<u>Legislative</u>
	<u>1977-78</u>	<u>1978-79</u>	<u>Estimate</u>
			<u>1979-80</u>
Twin Cities	44,778	44,829	44,874
Duluth	6,744	6,809	6,808
Morris	1,561	1,433	1,550
Crookston	1,036	1,083	1,070
Waseca	<u>958</u>	<u>1,050</u>	<u>1,100</u>
Total	55,077	55,204	55,402

The enrollment estimates presented here assume no change in admissions requirements or enrollment limitations except as dictated by normal admission standards, available teaching stations, and available housing. It is assumed that extended negotiations will take place with the Legislature regarding the extent to which workload increases will be funded from marginal tuition resources available from increased enrollment estimates for 1979-81. From whatever resources are available, some reserves will be established to provide resources for the anticipated teaching loads.

No tuition rate increases were estimated or projected for the 1979-81 biennial request. This decision will be made during the appropriation process. There is a presumption that probably there will be a tuition increase in the next biennium related to the approximate instructional cost increases in the appropriation. If the Legislature assumes a policy approved by H.E.C.B., a tuition increase of about 1% to a target of 25% of instructional costs is possible for 1979-80.

2. Financial Aid

The Board of Regents, in establishing budget principles for the 1979-80 budget, reaffirms its position that tuition increases have the effect of closing educational opportunities for large groups of students or potential students. For this reason, the Regents reaffirm their commitment to seek the maximum amount of funds, both public and private to meet these ever-increasing needs.

3. Student Services Fees

The Student Services Fee Committees are currently meeting and reviewing the structure of the Student Services Fee for the academic year 1979 on all campuses. Recommendation by the committees through the appropriate campus governing structures to the central administration and subsequently to the Board of Regents will be made prior to the approval of the budget.

4. Academic Salary Increases and Promotions

The total amount appropriated will be allotted to colleges and administrative units. The precise policy for making salary adjustments will be determined after the usual consultation by the President with the appropriate faculty and administrative groups and will be reported to the Regents in the budget plan.

The method of distributing whatever unit funds are allocated will be left to individual college discretion subject to customary guidelines. The President may set aside an amount to correct cases of manifest inequity in keeping with the recently developed procedures for handling merit and equity adjustments.

5. University Civil Service Pay Plan

The 1979 Legislature will appropriate funds to adjust Civil Service salaries. Traditionally, the University pays salaries and fringe benefits comparable to employees in the State Classified Service. The University Pay Plan will reflect this comparability and will become a part of the Budget Plan for 1979-80.

6. Faculty and Civil Service Fringe Benefits

The 1979 Legislature will be considering changes in fringe benefits for state employees as a part of a general state pay plan. Details will be reported to the Board of Regents in the budget plan.

7. Retrenchment and Reallocation

The University of Minnesota is engaging in an effort to produce a long range planning system which will provide a basic system against which annual budget making can occur. Budget planning for 1979-80 will recognize the concept of an annual examination of the budget base and the internal reallocations of resources. Since a long range plan is not available, the planning for reallocation for the 1979-80 budget will proceed on the basis of a set of interim guidelines and decision making criteria approved in principle by the Board of Regents at its December 8, 1978 meeting.

Since the concept of reallocations was endorsed in the Governor's guidelines for the preparation of the biennial request and since specific funding requests in the biennial request will be included in the reallocation requests, the exact plan for reallocation will not be known until legislative appropriations are completed.

The President will, after consultation with the administrative staff and appropriate Senate Committees, determine the final reordering of existing allocations in accordance with the approved criteria. The detail of the reallocation including the necessary retrenchment will be submitted to the Board of Regents as part of the Budget Plan for 1979-80.

8. Minimum and Fixed Rates of Compensation

Minimum rates of compensation for instructors and assistant professors will be included in instructions to collegiate units. Consideration will be given to compensation levels at comparable institutions and to the effect of inflation.

9. Retired Staff

The Board of Regents is asked to reaffirm a budget principle that the retirement pay of those staff who retired and their surviving spouses should be increased to compensate for rising levels of inflation. University supplements to retired staff are included in the salary base on which faculty salary appropriations are made. Increased payments to retired faculty reduce the existing retirement inequities. These increases are not charged to the funds available for faculty merit and promotions increases.

10. Laboratory Fees

The Board of Regents in 1977 agreed to the principle of eliminating laboratory fees. In the 1977-78 budget plan this fee was reduced from \$4.00 to \$2.00. The tuition schedule which will be submitted to the Board of Regents as part of the budget plan for 1979 and 1980 will be based upon the elimination of the remaining portion of the fee.

11. Indirect Cost Recovery

A portion of this income will be included in the regular recurring budget as a general income, and a portion will be allocated for non-recurring items. Efforts will continue to be made to return as much as possible of this indirect cost recovery income to the units that have generated it so as to stimulate additional research activity.

12. Funding of Permanent Staff for Instructional Replacement

Research and training activities performed under contracts and grants have become an integral function of the University. Many years ago, when the scope of these activities was quite small, the University experienced no problems in hiring part-time

teaching replacements. Funds to hire these replacements were provided by charging contracts and grants for that portion of the regular staff member's time spent in the performance of research and other duties. As the level of this activity rises, full-time replacements are needed if we are to assure the quality of teaching.

As a budget principle, full-time regular positions may be added to the printed budget up to 40 percent of the funds available through charges of regularly budgeted staff to contracts and grants. No requests for increases in budgeted staff from this source of funds will be honored without proof of clear expectation that the volume of contracts and grants will be recurring.

13. Supplies, Expense and Equipment

With the expectation that the Legislature will provide some additional funds for supplies, expense and equipment, the President is authorized to allocate any unrestricted appropriations on a judgmental basis to colleges and administrative units where they are determined by administrative review to be most needed, consistent with the recently developed retrenchment and reallocation procedures. Price-level increases, if appropriated by the Legislature, will be allocated proportionately.

14. Non-Legislative Budgets

In order to assure salary equity among all areas of the University, units which are funded from non-legislative funds must provide salary increases (within the guidelines as established above) comparable to those provided from the General Operations and Maintenance Fund. Programs must be reduced, if necessary, to accomplish this principle.

15. Adjustments

The President is authorized to make such further adjustments in the interpretations of these principles as are required to complete the budget plan with a report of such adjustment to the Board or Regents.

UNIVERSITY OF MINNESOTA  
1979-80 Budget  
Sources and Application of Increased Funds  
General Operations and Maintenance Fund

	<u>Budget</u> <u>1978-79</u>	<u>Proposed</u> <u>Budget</u> <u>1979-80</u>	<u>Increase</u> <u>or</u> <u>Decrease</u>
<u>I. Sources of Additional Funds</u>			
A. Legislative Appropriations	\$156,979,440	\$173,846,759	\$16,867,319
1. Cost of Living 1-1-78 (Open)	2,609,162	-0-	(2,609,162)
2. Cost of Living 7-1-78 (Open)	1,956,003	-0-	(1,956,003)
3. Fringe Benefits (Open)	1,678,819	-0-	(1,678,819)
B. Tuition - Regular Session	43,419,418	46,700,000	3,280,582
C. Tuition - Summer Session	2,832,417	2,989,521	157,104
D. Temporary Investment Income	900,000	1,197,000	297,000
E. Indirect Cost Recoveries	9,275,175	9,978,000 <sup>(1)</sup>	702,825
F. Authorization Overhead	550,000	550,000	-0-
G. Miscellaneous Fees	202,000	225,000	23,000
H. Miscellaneous Income	1,500	1,500	-0-
I. Departmental Receipts	14,489,597	15,232,010	742,413
Total Sources of Income	<u>\$234,893,531</u>	<u>\$250,719,790</u>	<u>\$15,826,259</u>

(1) Includes \$250,000 discretionary funds.

UNIVERSITY OF MINNESOTA  
1979-80 Budget

II. Application of Increased Funds

Legislative Intent

1) Duluth - Instruction	\$ 27,850
2) Morris - Instruction	30,220
3) Crookston - Instruction	43,500
4) Waseca - Instruction	111,620
5) Instructional Equipment	1,200,000
6) Medical School - Workload	111,231
7) Medical School - Federal Replacement	50,000
8) Dentistry - Capitation Replacement	693,284
9) Nursing	76,600
10) Public Health	34,000
11) Duluth - Instructional Administration	20,000
12) International Programs	40,000
13) Coordinate Campus Travel	20,000
14) Faculty Travel	100,000
15) Student Services - Registration System	378,925
16) State-Wide Testing	(29,100)
17) Handicapped Students	165,400
18) Financial Aid - Fellowships	25,000
19) International Students - Tuition Grants	60,000
20) Unemployment Compensation	900,000
21) Workers Compensation	173,000
22) Management and Services (Purchasing)	20,680
23) Administrative Data Processing Equipment	60,000
24) Fuel and Utilities	349,000
25) Skilled Trades	300,000
25) Leased Properties	94,143
26) Hazardous Waste Management	83,500
27) Transit Services	100,000
28) Operation of New Space	650,000
29) Academic Salary Increases	6,605,928
30) Fringe Benefits on Salary Increases	1,950,560
31) General Price Level Increases	450,000
32) Fringe Benefits on New Positions	248,190
33) Civil Service - Performance Increases 1978-79	<u>1,142,728</u>
Sub-Total	\$16,286,259

Other Increases

1) Indirect Cost Recoveries - Discretionary	250,000
2) Transfer of 1978-79 Price Level Funds to Specials	(710,000)

Total Additional Resources \$15,826,259 \*

\*Reallocations are not included above because they do not reflect additional total resources.

SUMMARY OF RETRENCHMENT AND REALLOCATION RECOMMENDATIONS

<u>Major Budget Unit</u>	<u>Reallocation Request and Unit Priority</u>	<u>Reallocation Recommendation</u>	<u>Total Unit Reallocation</u>	<u>Total Unit Retrenchment</u>
System-wide Reserves			\$225,000	---
	President's Academic Contingency Fund	\$175,000		
	Matching Fund Reserve Grants	50,000		
COLLEGIATE UNITS				
Institute of Agriculture			59,433	\$ 55,173
	Institute of Agriculture - 4 items	39,129	---	---
	Institute of Agriculture - 3 items	10,804	---	---
	Agricultural Experiment Station - Landscape Arboretum	9,500	---	---
College of Agriculture			107,905	95,591
	Agronomy and Plant Genetics	10,593		
	Animal Science	12,632		
	Soil Science	6,662		
	Plant Health Technical Program	16,000		
	Landscape Architecture	22,018		
	Equipment/Supplies	40,000		
College of Biological Sciences			71,500	57,879
	Faculty, molecular biology of plants	18,000		
	Faculty, TA's, population ecology	23,500		
	CBS/Health Sciences Joint Request (1/2 of total) Human Genetics	30,000		
College of Business Administration			101,000	50,885
	Additional Faculty	101,000		

SUMMARY OF RETRENCHMENT AND REALLOCATION RECOMMENDATIONS

Major Budget Unit	Reallocation Request and Unit Priority	Reallocation Recommendation	Total Unit Reallocation	Total Unit Retrenchment
Continuing Education and Extension			\$ 23,500	\$ 41,176
	Implement outreach recommendations, central mechanism, & collegiate officers	\$ 23,500		
Crookston			27,250	48,129
	Unassigned and lab instruction	9,750		
	Financial aid clerk and SEE	17,500		
Dentistry			100,000	75,718
	Expanded Auxiliary Management	100,000		
Duluth			214,813	209,840
	Library Bindery Assistant	30,000		
	CLS Civil Service	14,000		
	B&E 2 faculty	45,000		
	Student Affairs C.S. Staff	26,300		
	Educational Psychology	15,000		
	CLS - SEE	30,000		
	B&E - SEE	11,513		
	Support staff and SEE	43,000		
College of Education			38,500	126,534
	Psychoeducational Studies, Child Development & Bilingual Education	38,500		
College of Forestry			18,500	15,448
	Faculty, Forestry Products	18,500		
General College			33,000	37,686
	Skills, tutorial	33,000		
Graduate School			40,286	30,286
	SEE	30,286		
	Dissertation Support	10,000		

SUMMARY OF RETRENCHMENT AND REALLOCATION RECOMMENDATIONS

Major Budget Unit	Reallocation Request and Unit Priority	Reallocation Recommendation	Total Unit Reallocation	Total Unit Retrenchment
College of Home Economics	Faculty, dietetics	\$ 18,500	\$ 35,116	\$ 28,203
	TA's, 3 departments	16,616		
Law School	Clinical Program	60,000	60,000	38,533
College of Liberal Arts	Basic Instruction	320,000	330,417	341,869
	HHH Institute Director	55,000		
	Music Fee Phaseout	55,417		
Libraries (Twin Cities)	Miscellaneous Help	18,759	49,759	111,814
	Learning Resource Center Student Staff	31,000		
Medical School	TA's, basic sciences	100,000	130,000	242,248
	Health Sciences/CBS Joint Request (1/2 of total) Human Genetics	30,000		
Morris	Library supplement	10,000	25,000	72,420
	Admissions, clerical, and supplies	15,000		
School of Nursing	Community/University Health Care Center	25,000	25,000	20,834
College of Pharmacy	Clinical Education Faculty	23,352	23,352	22,618
School of Public Health	Maternal and Child Health	27,500	51,000	21,926
	P.H. Administration Program	23,500		

Major Budget Unit	Reallocation Request and Unit Priority	Reallocation Recommendation	Total Unit Reallocation	Total Unit Retrenchment
Institute of Technology			\$458,212	\$235,939
	TA's	\$300,000		
	Improve student/teacher ratio	100,000		
	Chemistry Commitment	40,000		
	History of Science and Technology (Joint request with CBS)	18,212		
College of Veterinary Medicine			54,000	53,572
	Physiology and parasitology faculty	54,000		
University College			7,400	3,681
	General Support	7,400		
Waseca			27,250	44,025
	Student financial aid clerk	8,500		
	SEE	18,750		
NON-COLLEGIATE GROUPS				
Central Administration and Reserves	---	---	---	52,711
Academic Affairs			33,836	87,748
	Office of International Programs Secretary/Receptionist	15,424		
	International Student Advisor's Office service to international faculty/ student exchanges	18,412		
Administration and Planning	---	---	---	56,705
Finance and Development			330,000	510,537
	Administrative Services	14,100		
	Physical Plant	200,000		
	Student Accounts Receivable	60,900		
	Transit	23,000		
	Purchasing Agents	32,000		

SUMMARY OF RETRENCHMENT AND REALLOCATION RECOMMENDATIONS

<u>Major Budget Unit</u>	<u>Reallocation Request and Unit Priority</u>	<u>Reallocation Recommendation</u>	<u>Total Unit Reallocation</u>	<u>Total Unit Retrenchment</u>
Health Sciences	Learning Resource Center	\$ 35,000	\$ 35,000	\$ 55,765
Student Affairs	Support services and recruitment	100,000	158,657	111,471
	Admissions and Records	58,657		
Student Aid	---	---	---	37,397
	TOTAL		\$2,994,686	\$2,994,361

:cb  
6/1/79

UNIVERSITY OF MINNESOTA  
Proposed Tuition Rates, 1979-80

Types of Students

	1978-1979				Proposed 1979-1980				% Increase or (Decrease)	
	Quarter		Credit Hour		Quarter		Credit Hour		Res	N/R
	Res	N/R	Res	N/R	Res	N/R	Res	N/R		
Students Registered at Crookston and Waseca	\$ 250	\$ 687	\$ 21.00	\$ 57.25	\$ 268	\$ 737	\$ 22.50	\$ 61.50	7.2	7.3
Students registered in the College of Liberal Arts, General College, University College, Dental Hygiene, and at the Morris Campus	271	772	22.75	64.50	290	798	24.25	66.50	7.0	3.4
Lower division students at Duluth registered in:										
Letters and Science, Fine Arts	271	772	22.75	64.50	288	792	24.00	66.00	6.3	2.6
Business and Economics, Education	297	847	24.75	70.75	288	792	24.00	66.00	(3.0)	(6.5)
Social Development	357	982	29.75	82.00	288	792	24.00	66.00	(19.3)	(19.3)
Students registered in the colleges of Agriculture, Business Administration, Education, Forestry, and Home Economics	297	847	24.75	70.75	320	880	26.75	73.50	7.7	3.9
Upper division students at Duluth registered in:										
Letters and Science	271	772	22.75	64.50	310	853	26.00	71.25	14.4	10.5
Fine Arts	271	772	22.75	64.50	320	880	26.75	73.50	18.1	14.0
Business and Economics	297	847	24.75	70.75	310	853	26.00	71.25	4.4	.7
Education	297	847	24.75	70.75	320	880	26.75	73.50	7.7	3.9
Social Development	357	982	29.75	82.00	320	880	26.75	73.50	(10.4)	(10.4)
Students registered in the College of Biological Sciences, Institute of Technology, and School of Nursing	318	906	26.50	75.50	343	943	28.75	78.75	7.9	4.1
Students registered in the College of Pharmacy, Department of Mortuary Science, and Law School	408	1,143	34.00	95.25	437	1,202	36.50	100.25	7.1	5.2
Students registered in the College of Veterinary Medicine, School of Dentistry, and School of Medicine at Duluth	678	1,830	56.50	152.50	739	2,032	61.75	169.50	8.8	10.9
Students registered in Medical Technology, Physical and Occupational Therapy, Nurse Anesthetist Program, and School of Public Health	357	982	29.75	82.00	386	1,062	32.25	88.50	8.1	8.1

EXHIBIT IV

Types of Students	1978-1979				Proposed 1979-1980				% Increase or (Decrease)	
	Quarter		Credit Hour		Quarter		Credit Hour			
	Res	N/R	Res	N/R	Res	N/R	Res	N/R		
Students registered in the Twin Cities Medical School:										
1-9 credits	\$ 339	\$ 915	---	---	\$ 370	\$ 1,016	---	---	9.1	11.0
10 credits or more	678	1,830	---	---	739	2,032	---	---	8.8	10.9
Post-M.D. Medical Fellow Specialists	147	147	---	---	147	147	---	---	---	---
Students registered in the Graduate School										
Students in special categories										
Graduate students in clinical fields in medicine (without appointments)										
1-9 credits	339	915	---	---	370	1,016	---	---	9.1	11.0
10 credits or more	678	1,830	---	---	739	2,032	---	---	8.8	10.9
Graduate students in clinical fields in dentistry or veterinary medicine (without appointments)	678	1,830	\$ 56.50	\$ 152.50	739	2,032	\$ 61.75	\$ 169.50	8.8	10.9
Graduate medical or dental fellows	351	351	---	---	376	376	---	---	7.1	7.1
Other graduate students <sup>1</sup>										
Those holding 25% or more graduate assistant appointments	---	---	31.00	31.00	---	---	34.00	34.00	9.7	9.7
Those without appointments	---	---	31.00	86.50	---	---	34.00	93.50	9.7	8.1
Minimum fee classifications (graduate students registered for credit pay the minimum fee classification or the per credit hour rate, whichever is higher):										
Doctoral candidates-final quarter	165	165	---	---	165	165	---	---	---	---
Continuous registration	65	65	---	---	65	65	---	---	---	---
Thesis only <sup>2</sup>	122	122	---	---	122	122	---	---	---	---
Examination only <sup>3</sup>	35	35	---	---	35	35	---	---	---	---
Evening MBA program (Twin Cities)	---	---	31.00	31.00	---	---	40.00	40.00	29.0	29.0
Evening MBA program (Duluth)	---	---	31.00	31.00	---	---	34.00	34.00	9.7	9.7
Preparatory courses			\$ 48.50 per course				\$ 52.00 per course		7.2	7.2
Summer Session	---	---	\$ 17.00	\$ 17.00	---	---	\$ 18.50 <sup>4</sup>	\$ 18.50 <sup>4</sup>	8.8	8.8
Continuing Education and Extension, extension classes <sup>5</sup> and independent study <sup>6</sup> :										
1xxx level courses	---	---	17.50	17.50	---	---	18.50	18.50	5.7	5.7
3xxx level courses	---	---	19.00	19.00	---	---	20.50	20.50	7.9	7.9
5xxx level courses	---	---	20.00	20.00	---	---	22.00	22.00	10.0	10.0
8xxx level courses	---	---	31.00	31.00	---	---	33.50	33.50	8.1	8.1
Laboratory Charges			\$ 2.00 flat fee				\$ 2.00 flat fee		---	---

Footnotes to Exhibit IV

- EXHIBIT IV
- 1 Students in the following professional master's programs will pay a maximum tuition rate of \$476 resident or \$1,309 nonresident; master of aerospace engineering, master of agricultural engineering, master of architecture, master of business administration, master of chemical engineering, master of civil engineering, master of electrical engineering, master of fine arts, master of forestry, master of geo-engineering, master of geotechnology, master of industrial engineering, master of mechanical engineering, master of metallurgy and materials science, master of mineral engineering, master of mineral resources engineering, master of planning, and master of social work.
  - 2 For students in the Graduate School who are required to register (e.g. to satisfy requirements of an assistantship or fellowship) but who are not enrolled in courses and are not eligible for examination only or continuous registration.
  - 3 Open only to doctoral students who have completed language requirements and all course work on their officially approved doctoral programs but who have not yet passed their preliminary oral examinations. See Graduate School Bulletin.
  - 4 For Summer Session 1979.
  - 5 Effective Fall Quarter, 1979.
  - 6 Effective July 1, 1979.

UNIVERSITY OF MINNESOTA  
Proposed Budget 1979-80  
Proposed Distribution - Salary Adjustment Funds

	Funds for Merit and Cost of Living		Total
	Academic	Grad. Assts.	
Colleges (Including Health Sciences)	\$5,348,320	\$411,637	\$5,759,957
Office of the President (1)	2,763		2,763
Vice President - Admin. Operations (1)	3,026		3,026
Vice President - Finance (1)	15,671		15,671
Vice President - Institutional (1) Planning & Relations	1,976		1,976
Vice President - Student Affairs (1)	83,912	\$ 1,849	85,761
Vice President - Academic Affairs (1)	214,231	2,576	216,807
Vice President - Health Sciences (1)	661		661
Regents Professors, Provosts, Deans and Directors	184,701		184,701
Sub-Total	\$5,855,261	\$416,062	\$6,271,323
Retirement Supplements			64,605
Special Salary Related Problems (Reserved)			270,000
Unit Equity and/or Unit Merit			500,000
TOTAL			\$7,105,928

Summary:

From the General Operations and Maintenance Fund Appropriations	\$6,605,928
From the Special State Appropriation	500,000

TOTAL \$7,105,928

(1) Units reporting to these offices.

UNIVERSITY OF MINNESOTA  
Academic Floors and Fixed Rates  
1979-80

<u>Rank or Title</u>	<u>Monthly</u>	<u>B(100)</u>	<u>A(100)</u>
<u>Floors</u>			
Assistant Professor	\$ 1,552	\$13,968	\$18,624
Instructor	1,416	12,744	16,992
Research Associate	1,254	11,286	15,048
Research Fellow	1,160	10,440	13,920
Research Specialist	856	7,704	10,272
Teaching Specialist	898	8,082	10,776
<u>Fixed Rates</u>			
Teaching Associate I and Administrative Fellow II	1,330	11,970	15,960
Teaching Associate II	1,416	12,744	16,992
Teaching Assistant, Administrative Fellow I and Project Assistant )	1,190	10,710	14,280
Research Assistant	1,132	10,188	13,584
<u>Hourly Rates</u>			
Instructors \$8.14		Undergraduate Teaching Assistant \$4.00	
Research Fellow \$6.67		Administrative Fellow I \$6.84	
Teaching Associate I \$7.64		Administrative Fellow II \$7.64	
Teaching Associate II \$8.14		Project Assistant \$6.84	
Teaching Assistant (Grad.) \$6.84			
Research Assistant (Grad.) \$6.51			
Undergraduate Research Assistant \$4.00			

UNIVERSITY OF MINNESOTA  
Proposed Budget 1979-80  
Additional Positions Appropriated

	<u>Academic</u>	<u>No.</u>	<u>Civil Service</u>	<u>No.</u>
1) Duluth - Instruction	\$ 20,000	1.0		
2) Morris - Instruction	18,000	1.0		
3) Crookston - Instruction	17,500	1.0	\$ 13,460	1.0
4) Waseca - Instruction	88,000	4.0	10,238	1.0
5) Medical School	80,015	2.6	23,455	1.7
6) Dentistry - Capitation Replacement	417,562	17.4	275,722	21.3
7) Nursing	57,600	2.0	5,700	0.5
8) Public Health	24,000	1.0		
9) Duluth - Instructional Administration			20,000	2.0
10) Student Services - Registration			48,789	2.6
11) State-Wide Testing			(29,100)	(3.0)
12) Handicapped Students			15,000	1.0
13) Management and Services			20,680	1.0
	<u>\$722,677</u>	<u>30.0</u>	<u>\$403,944</u>	<u>29.1</u>

UNIVERSITY OF MINNESOTA  
Proposed Budget 1979-80  
Summary of Budget Allotments - Indirect Cost Recoveries

	<u>Budget</u> <u>1978-79</u>	<u>Proposed</u> <u>Budget</u> <u>1979-80</u>
<u>Recurring Allotments</u>		
General University Budget	\$ 7,930,175	\$ 8,633,000 <sup>(1)</sup>
Graduate School Research Center	299,220	} 2,025,000
Research Animal Resources	95,970	
Research Contract Service Costs	893,000	
Departmental Administration	457,000	
	\$1,745,190	
Sub-Total	\$ 9,675,365	\$10,658,000
	87.8%	88.8%
<u>Non-Recurring Allotments - Budgeted</u>		
Plant Services - Minneapolis & St. Paul	\$ 210,000	\$ 210,000
Health Services - Radiation Control	92,500	97,500
Libraries -		
Minneapolis	181,500	181,500
St. Paul	38,700	38,700
Law	34,000	34,000
Duluth	35,800	35,800
Morris	15,000	15,000
Scientific Computer	100,000	100,000
Academic Contingencies Reserve	50,000	50,000
Educational Development & Media Production	40,000	40,000
Research Costs - Contingencies	25,000	20,000
Health Sciences - Unassigned	50,000	50,000
University of Minnesota, Morris - Unassigned	5,000	5,000
University of Minnesota, Duluth - Unassigned	7,500	7,500
Cost Sharing and Matching Grants	50,000	50,000
Student Services	25,000	25,000
Sub-Total	\$ 960,000	\$ 960,000
<u>Unassigned Research, Equipment, &amp; Development (account 1415)</u>	<u>385,000<sup>(2)</sup></u>	<u>385,000</u>
TOTAL ALLOTMENTS	<u>\$11,020,365</u>	<u>\$12,003,000</u>

(1) Includes \$250,000 discretionary fund.

(2) See next page for detail.



UNIVERSITY OF MINNESOTA

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

May 18, 1979

TO: Deans, Directors, and Department Heads  
 Senate Consultative Committee  
 University Committee on Biennial Request and Budget Review  
 Senate Committee on Educational Policy  
 Senate Committee on Resources and Planning  
 The Planning Council

FROM: C. Peter Magrath

SUBJECT: The Brown Committee Report on Reallocation (1980-82)

Last fall, I appointed two faculty/student/administrative committees to assist me in the development of retrenchment and reallocation processes that might be used in the University's resource management efforts in the years ahead. One of these committees, chaired by Associate Vice President Al Linck, completed its recommendations in December, and these recommendations are serving as the basis of the current reallocation process (1979-80). The other committee, chaired by Vice President Don Brown, was charged with the task of proposing a reallocation process for 1980-81 and beyond, or until the Planning Council would be able to develop a longer range resource allocation mechanism.

The Brown Committee has recently finished its report, and I am sending a copy to you so that the senior officers and I might have the benefit of your reactions before I make any decision on the specific type of reallocation process to be followed over the next biennium. You will find that the Committee recommended a number of significant changes and improvements over the current reallocation process (see pages 17-19 for a summary). You will also note that the time schedule that is suggested necessitates your immediate attention (see page 20). Because many members of the faculty will be gone for the summer, I urge you to meet with your colleagues as quickly as possible, and after discussing the Brown Committee report, relay your reactions to me or your respective administrative officer by June 18. Once I have received your reactions, I will take them into consideration as I attempt to formulate a general reallocation proposal as well as more specific guidelines and reallocation targets.

I recognize that the June 15 deadline will present a number of difficulties in light of the many competing activities that preoccupy you at the end of the academic year. However, to postpone the process until fall will only create more serious, and perhaps insurmountable, implementation problems. I trust that you will understand and make every effort to consult with your associates on this important matter.

CPM

CPM:kb

Enclosure

Report of the Reallocation  
Process Committee

May 10, 1979

"'In the ever-renewing society what matures is a system or framework within which continuous innovation, renewal and rebirth can occur.' (John W. Gardner, Self-Renewal)"

"As we end an era in which the vitality of higher education was assured by unprecedented growth driven by a tide of public confidence, we must nurture to maturity that 'framework within which continuous innovation, renewal and rebirth can occur.'"

"---When collegiate development plans have been completed and University priorities have been established, then the priorities must be applied to the collegiate plans."

SCEP/SCRAP Accountability and Educational  
Criteria: University Planning for Selective  
Growth, July, 1971

Introduction

The continuing challenge is one of developing a process of internal budget construction which is logistically efficient and yet effective in implementing coherent, consensual, academically-based plans. The past ten years have seen several approaches, some quite effective in their time, but all suffering from the lack of usable and consistent academic planning and budget process.

The current work of the Planning Council is directed to the production of academic plans specific enough to be used in translating ideas and priorities into resource decisions for all segments of the University. The Biennial Operating and Capital Requests and the Internal Budget, are directed toward clothing plans and priorities with the resource allocation decisions necessary to make them realizable. While planning, Internal Budget, Capital Request, and Biennial Request are and should be closely linked to each other, this report concentrates on the Internal Budget cycle, the process in which resource reallocation plans are translated into actions affecting people and programs in the immediate future.

Committee Charge

Our instructions were as follows:

"This committee will either 1) redraft the 'Reallocation and Consultation' document, incorporating those changes recommended by various consultative groups, or 2) propose and outline an alternative system of reallocation. In either case, the recommendations should reflect a more permanent process, which is systemwide in application, is consistent with academic values, insures adequate consultation, addresses those issues and questions raised by various sectors of the University community, and allows for periodic reassessment and change in the reallocation mechanism. Obviously, the nature of this assignment is complex, and will require much time and effort. Therefore, no deadlines are recommended at this time, although the committee is expected to accomplish its objectives as quickly as deemed prudent and possible."

In a letter to the University community of April 18, 1979, President Magrath added that, "the committee plans to draft a set of procedures that would provide the colleges earlier notice of their probable budgetary resources so as to facilitate hiring decisions. One major possibility is the development of a two-year, rather than annual, system of reallocation beginning with the fiscal year 1981."

Our charge clearly involves continuation and refinement of the work of the Committee to Draft Interim Guidelines for the 1979-80 Budget. It also overlaps the charge of Subcommittee 3 of the Planning Council which is at work on problems of meshing planning with the resource acquisition and allocation cycles. Because the membership of these committees also overlaps, there may be some efficiencies in the situation. This committee has had ready access to information and difficulties encountered in the current budget effort. The Planning Council subcommittee has concentrated its efforts on programmatic structure and on the Biennial Request process, deferring work on the Internal Budget pending this committee's report.

We have drawn freely on the work and advice of the "Interim Guidelines" committee, UCBRR, the Planning Council, and various staff and faculty involved in these efforts. We have chosen to accept the alternative of proposing a system which differs substantially from that proposed in the Interim Guidelines document. We have also chosen to interpret our charge broadly by proposing a procedure which, while not beyond modification, has the potential to be used for the foreseeable future in conjunction with whatever plans and priorities are available at any time.

An annual budget is a short-term financial plan. It is predictable that the real resources available to us will change each year and this dictates that we must have a consistent and comprehensive process of budget adjustment based on some sense of priorities and direction. This committee concurs with previous statements by the President and others that the University of Minnesota must engage in a continuous process of resource reallocation. That process can be greatly improved by the availability of carefully prepared long-term planning but it will and should occur in any case. The challenge is to structure it to foster the maximum opportunity for a sustained pattern of goal-directed activity and a minimum chance of mere crisis response and default decisions.

We believe several major problems must be overcome to achieve this. Timing conflicts with the biennial appropriation cycle must be resolved. All of the University's discretionary resources must be brought under review and made subject to reallocation. We must find methods to allow hiring lead time and meet notice of termination requirements. The system must be designed to accommodate unavoidable time constraints rather than cripple the process through attempts to accomplish more than can reasonably be expected within those constraints. We must distinguish the roles of consultation in planning as opposed to resource allocation cycles and recognize that it will be most effective if fully utilized in the planning process and confined mostly to post facto review in the budgeting processes.

#### Format

The body of this report follows in two sections. Section I discusses the

problems to be dealt with. Section II contains the recommendations of this Committee. A brief summary concludes the report.

### Section I, A Statement of Problems

#### Timing

It has been correctly observed that budgeting for the University of Minnesota is a continual effort to beat the clock. Both internally and externally we are faced with scheduling complexities that make a thoughtful, complete and orderly process extremely difficult to design.

Legal and practical considerations dictate that our fiscal year begin on July 1. That means that a budget plan should be finished by approximately May 1 so that the budget detail can be completed and entered in the University's internal control system by the beginning of the fiscal year. Absence of the nine month faculty during the summer and preoccupation with other concerns by all faculty and administrators during certain periods of the academic year limit the time available for budget consultation. A budget approach which lacks effectively planned constraints tends to produce excessive and fragmented proposals which eat up the time of all parties to the budget activity.

While the lack of clear constraints and priorities is a difficult problem at all times, budget planning for the first year of a biennium is further frustrated by the fact that legislative results are seldom known before the middle of May prior to the beginning of the fiscal year. An attempt to do contingency budget planning for the first year of a biennium must deal with a fairly wide range of possible budget results, and even then it risks being

confounded by legislative appropriations differing from the range planned for. If contingency planning is not done prior to legislative adjournment, the budget process is either a formula adjustment lacking direction and continuity with previous decisions or a hectic attempt to sort out priorities in an inadequate time frame. A major budget adjustment process is exceedingly awkward when it coincides with the legislative session.

It is this committee's view that we should cease the attempt to do major budget planning coincident with the legislative session. Instead, the budget process should commence in the months following the legislative session and should be done for the two following fiscal years - the second year of the current biennium and the first year of the next - thus staggering the budget processes with the biennial appropriations.

### Selectivity

Obviously, any budget readjustment process designed to shift resources to reflect changes in goals and priorities must use a selective, non-formula approach to obtaining the flexible resources, or to reallocating them, or both. The Reallocation and Consultation document of last fall prescribed a process of formula retrenchment followed by selective reallocation. We advocate selectivity in both retrenchment and reallocation. Stated more exactly, we advocate a single process of selective increments and decrements to budget.

The use of formulas in accomplishing programmatic change (as opposed to reflecting price level or salary changes) is inefficient in that it subjects

some budgeting units to exercises which are unrelated to the planning realities. If it is clear that additional resources should be allocated to a unit, there is no point in forcing that unit to explain how it would accommodate a formula reduction. Formula use is also unnecessarily limiting. It may well be clear that a budget cut of 5% is indicated and feasible in some unit. To limit that budget reduction to some lesser overall formula makes little sense.

The argument has been made that use of a formula gives the appearance of universal participation and fairness, that it "spreads the pain." We believe that all units can be made to participate and seen to participate without the use of a formula. Spreading the pain is not a proper goal of budgeting and we believe that thorough budget analysis and documented decisions that conform to planning priorities are to be preferred to a superficial appearance of universality. Formulas have their uses in resource estimation at the system level but their application to all units in a budget process is justified only as a makeshift.

#### Applicability

The issue of what parts of the budget, if any, should escape participation in budget readjustment has provoked much discussion in the course of the current budgeting exercise. Exemption of the State Special appropriations and of fuel and utility budgets has been challenged by some. Others have argued that certain categories such as library book budgets and student aid funds should have been exempted.

As in the selectivity issue, we take the position that a budget process should not go through ritual motions if nothing substantive can be accomplished by doing so. If it is in the power of the Board of Regents to shift funds from a function or unit to some other use, the budget for that function or unit should be subject to the budget readjustment process. If not, no substantial purpose is served by including it. To exempt units or functions whose resources can be shifted defeats the very purpose of planning and budgeting - the comparison of relative priorities in a context permitting alternative decisions. To include units or functions whose resources cannot, by law or in practice, be shifted adds inefficiency to a process already pushed to the limit of available time and effort.

#### Fragmentation

Every annual budget process carried out at the University in recent years has suffered from a concentration on decision packages which are far too small and therefore far too numerous to do them justice. A collateral difficulty is the inability to direct analysis and decision making to major issues of priority and direction rather than marginal and often trivial decisions framed in line item or object of expenditure terms rather than programmatic statements.

While this problem arises in part from the lack of comprehensive academic planning against which to do budgeting, it is also related to the design and application of the budgeting system, which has tolerated or even fostered non-programmatic budget requests and budgetary commitments outside the framework of the major budget cycle.

It is essential that budget requests be discussed in terms of their programmatic objectives or results. An effective budget process must be so monitored that non-programmatic budget proposals will be returned with advice for correction. The decision process must be analytic, consistent, participatory, and based on adopted goals and priorities.

#### Authority

It has become plain that, rightly or wrongly, some persons in the University community are unsure of how and by whom budgetary decisions get made. It is suspected that budgeting is done by proportioning resources among the six Vice Presidencies and that priorities are not compared across those functions. Some believe that de facto decision making power lies with one or more of the Vice Presidents without formal delegation from the President. We are not concerned with the truth or falsehood of these suspicions, but such ambiguity cannot be allowed to continue if the budget process is to be an effective expression of policy and plans and a credible management tool.

The process we seek, then, will be explicit about who is making the decisions and on what basis. It will provide a forum in which the budgetary units can discuss their proposals directly with the decision maker(s) and it will provide a brief record of what was decided, deferred, encouraged, discouraged, and why. It will emphasize interactive, analytic discussion as the principal process leading to decisions and documented agreements about what those decisions are. Finally, it will be specific about what staff

are authorized to carry out ministerial duties in the budget process, at which levels, and for whom they are acting.

### Consultation

To be able to consult sufficiently to permit actions backed by consensus (or at least understanding) is every leader's wish. Particularly in this university with its strong consultative tradition, every practical opportunity for consultation should be furnished. While consultative opportunity continues to be perceived as a budget process problem, we believe that problem has been decreasing and that it need not be serious if expectations are reasonable and the type of consultation is tailored to the job in hand.

While planning activities are subject to minimal time constraints and represent the search for community consensus and direction, budget processes are under rigid deadlines and involve, ideally, the execution of previously made plans. Thus extensive, detailed consultation in advance of decision making, appropriate to the planning process, is inappropriate and impractical in budget making. Budgeting is an administrative responsibility which should be subject to rapid, broad issue consultation, as it is by rule in our system, and to a review of results leading to advice for the following cycle. The nature of budgeting precludes extensive consultation by all parties. It is a management function which should be the responsibility of the executive and for which the executive should be held responsible.

A desirable budget process will concentrate major budgetary decisions in periods when there is a reasonable possibility of thoughtful consultation, will minimize the gravity of budget decisions which must be made when deadlines are

known to preclude deliberation, and will rely as much as possible on extensive consultation in the planning process to reduce the necessity for it to be repeated during budget making.

### Criteria

An important lesson from the current retrenchment and reallocation exercise is that, while the other criteria were helpful in arriving at broad priority classifications, the concept of "centrality" is not sufficiently exclusive to provide any basis of choice. We believe that the discomfort with conducting budget readjustments in the absence of prearranged "criteria" has been caused by the absence of known planning decisions. Debate and resolution of the nature and uses of criteria belong in the planning process, not in the budgeting process. The problem is not entirely soluble until we have completed a planning cycle. There must be some confidence that the budget adjustment process will be informed by academic values and by the direction that institutional planning is taking.

### Section II, A Proposal

The budget planning system we propose, the Two-year Resource Adjustment Process (TRAP) envisions a series of budget conferences held in the fall and early winter of each odd numbered calendar year and leading to broad scale budgetary adjustments applicable to the two year period beginning the following July 1. Thus budget conferences held in the fall and winter of 1979 would result in budgetary decisions for the fiscal years 1980-81 and 1981-82.

The proposed timing has substantial advantages. It concentrates the internal budget activity in a period prior to the beginning of Biennial Request preparation and permits the results of internal budgeting to serve as a partial basis for the Biennial Request process. By making the budget planning for the first year of the biennium a minimal set of adjustments, it avoids the awkward conflict of legislative activity with major internal budget changes. It has the advantage of adopting a two year frame of reference for budgetary decisions thus permitting timely notice and hiring actions. It cuts the number of full-scale Internal Budget cycles in half with no likely loss of efficiency or effectiveness.

Adoption of the TRAP process has implications for our approach to and relations with the Governor and the Legislature. Minimal appropriation changes would be requested for the first year of the biennium. That should be acceptable and even welcome to the state political officers; but they must be convinced, too, that orderly budget planning requires that decrements to our budget, if decided on, be postponed to the second year of the biennium. Since the requesting of substantial programmatic increments to be added within four months of the legislative decision has never made good sense and since budget reductions made within four months of the decision date virtually dictate ill-considered resource retrenchment, there should be a good chance of obtaining legislative and gubernatorial cooperation.

The process proposed may best be described as a budget base examination done in conjunction with longer term planning goals and priorities and leading to two year memoranda of agreement regarding short term goals and the resources available to carry them out.

A central role in TRAP is that of the Budget Executive. The Budget Executive may be the President or it may be one or more of the Vice Presidents functioning in a single role, as designated by the President. If the function is delegated, a right of appeal to the President remains, but it must be understood that the Budget Executive will make the budget plan for submission to the President. The Budget Executive must be the same person or persons for all budgetary units. A comprehensive view is necessary. No budget conference should be held without the Budget Executive. The major functions of the office should never be redelegated to subordinates. Naturally, the Budget Executive should be thoroughly familiar with the state of University planning.

The TRAP process is intended to deal with resource allocations at the level of about forty primary budgetary divisions of the University consisting of all collegiate units plus aggregations of all non-collegiate units. While analysis supporting the budgetary conferences may be as detailed as seems useful, the purpose is to concentrate on issues of institutional direction and priorities, not on the details of marginal/incremental budgeting. The primary budgetary divisions should be designated in terms of the organizational structure of the University as it exists at any given time. The details of primary division designation are not important here except to note that a set of divisions should be adopted for consistent use throughout all of the planning, resource allocation, and reporting processes. For the purpose of further discussion, the division structure of the present planning exercise will suffice, including all components of the University.

Starting in September, 1979 and concluding by December, 1979, a series of about forty budget conferences should be held between the Budget Executive and the heads of primary budget divisions, both assisted by designated staff and line colleagues. We visualize the budget conferences at a maximum of perhaps half a day each; thus up to twenty days of the budget Executive's time is required.

The agenda of the budget conference should be a review of the status of longer term planning for the unit and of the existing activities and resource base plus a discussion of budgetary options for the period July 1, 1980 through June 30, 1982. The major unit head should be prepared to discuss the present uses of resources, possible improvements in efficiency of resource use, the costs of implementing approved program changes, and the effects of various possible budget levels above and below the present year base.

Although the Budget Executive may convey reactions at the budget conference, no decisions should be announced until all budget conferences have been completed.

The product of the budget conferences, issued early in 1980, should be a central budget plan telling each major unit its budget allocation for FY81 and its tentative allocation for FY82. Accompanying this should be a memorandum of agreement setting forth the basis of the budget allocation and the performance expectations which go with it. Also noted may be initiatives encouraged or discouraged and requests unfunded but accepted for possible inclusion in the Biennial Request. Although the Biennial Request will be developed in a separate process, its content should be an extension of the budget conferences.

Combination of the budget conferences with the planning conferences scheduled for the summer of 1979 may be suggested. We would oppose combining them. The planning conferences have been developed preliminary to budgetary decision making. Changing their purpose now would overload the agendas and detract from their first purpose - longer range planning. Insights gained from the planning meetings are intended to be useful in budget conferences but the planning meetings should come first and should emphasize goals, objectives, and priorities - not specific resource allocation in the short term.

When the two year resource allocation plan has been announced, the details of budgeting within the primary budget divisions should be handled by the responsible Vice Presidents. The plan should go to the Board of Regents for review by February, 1980 allowing the budget detail work to be completed on time. Unless the 1981 legislature should make major alterations for fiscal 1982, the March, 1980 budget plan approval should serve for FY1982 as well. The mechanics of FY1982 budget preparation should be made much easier by the pre-existence of a programmatic budget plan for that year which is not strongly dependent on the actions of the 1981 legislative session.

Budget conference agendas should be announced to allow appropriate preparation by participants and make best use of their time. However, the agenda should not be allowed to make the budget conference unduly rigid. An atmosphere of informality and mutual exploration of problems and possibilities should be sought. The object is not the taking of testimony and the rendering of a judgment but mutual understanding and agreement about the facts and possibilities of the budget situation.

Although the eventual memoranda of understanding will contain statements about the level of resources to be provided and the performance expectations associated with that level, they should not be thought of as a "contract" but as a record of agreements and decisions reached about the resource plan for the next two years. In subsequent cycles, the execution of the current plan should be reviewed along with future planning.

All of the primary budget divisions which administer the University's funds, from whatever source derived, should participate in the budget conferences. No funding should be exempt from examination but the Budget Executive should avoid useless examination of funding which cannot be altered. In making that judgment, it should be borne in mind that the Biennial Request process and subsequent appropriation changes may change the composition of the multiple state appropriations to the University. An existing Special appropriation cannot be changed in amount or purpose but a change in future requests for Specials could change the level of the general support fund appropriation proportionately. In similar fashion, budgetary policies in self-supporting units may well have collateral effects on the support fund budget. While the primary object of the budget conferences is the production of a support fund budget plan, other activities and funding may be reviewed in tandem with that fund as appropriate.

On what basis will the Budget Executive decide the allocations of the two year resource allocation plan? If available and usable, the goals and priorities being produced in the present planning process will be the proper referent. Lacking that, the criteria of the current year budget process can be of use. In addition, there is the possibility of volume, process or efficiency adjustments available without pre-empting longer term goal and policy decisions.

It is our view that insuring the use of completed planning statements for budget decisions presents no special problem. If planning is available, budgeters will be eager to use it since it has the potential to reduce the frictions and uncertainties of the budget process. All that is required to assure use of planning statements is that the budget process participants be aware of their existence.

While it is possible to specify desirable criteria, the mechanics of translating criteria into specific decisions is imprecise. It is a fact that immediate pressures and political necessity have affected decisions. The existence of overt planning commitments will mitigate the tendency to rely on these factors, but they will continue to be considered. The construction of an algorithm of decision criteria sounds appealing but is probably not attainable, partly because it attempts to anticipate choices that are not predictable. Only in relation to actual tradeoff choices can the various expressions of values and criteria be realistically balanced against each other. Evaluations of planning and budgeting must consist of case reviews rather than prescriptive regulations. The values to be preserved and the activities to be given preference are widely agreed upon in the University community. The best assurance that they will prevail is in broad participation in the planning process and in budget leadership which is thoroughly committed to those values and to open review of decisions.

#### Summary

The major points to be emphasized are listed below in order of discussion

in the text, not necessarily in order of importance:

- Budget processes must be consistent, comprehensive and reflective of academic planning to foster understanding and credibility.
- Resource reallocation should be continuous with decision making occurring, for example, in the last half of calendar 1979 for both the fiscal years 1980-81 and 1981-82.
- Consultation should be concentrated in planning processes at all levels in development stages; in budget processes, consultation emphasis should rest on review of decisions for compliance with plans.
- Budgeting should be a single integrated process of selective increments and decrements to components of the total budget.
- Budget issues must be made programmatic in nature (as opposed to selected objects of expenditure or line items) and aggregated to significant amounts (as opposed to multiple fragments).
- There should be a fully participative, comprehensive, accountable, authoritative function of the Budget Executive, consisting of one or more of the senior officers, specifically authorized to execute budgetary affairs.
- The two-year budget plan should be preceded and informed by a series of budget conferences between the Budget Executive and the administrative head of each primary budgetary division of the University (approximately 40).
- Budget plans should include memoranda by the Budget Executive including decisions, justifications, assumptions and expectations relative to each primary budgetary division.

- Budgeting should flow from planning and in turn should be reflected in Biennial Requests.

Timetable

September-December '79: Budget Executive meetings with primary budgetary division heads.

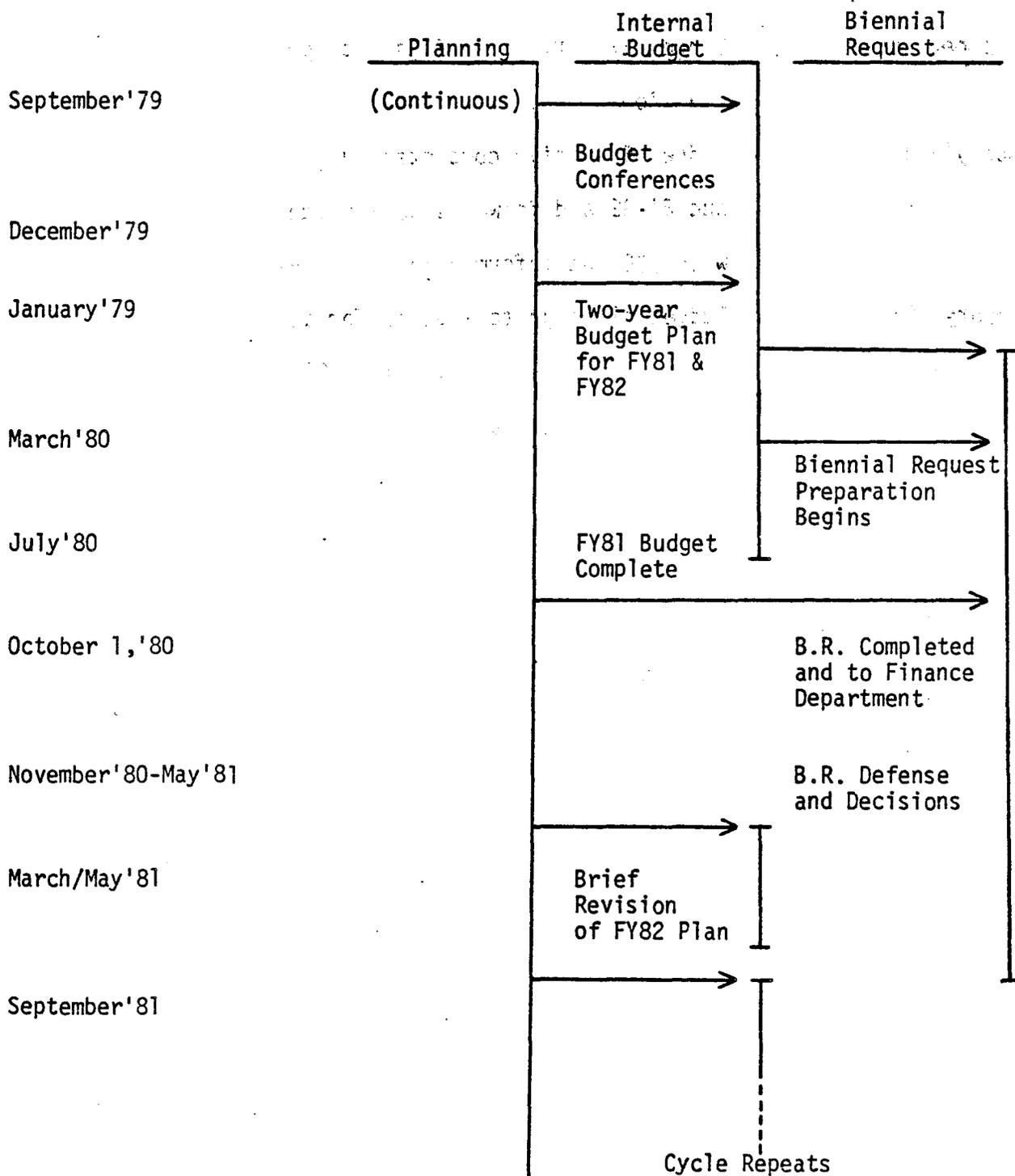
January '80: Budget Executive completes budget plans for FY80-81 and 81-82 and forwards to President for consultation with SCC and information to the Regents.

February '80: Budget plans go to Regents for action.

March '80: Biennial Request process for 1981-82 begins.

July '80: FY80-81 budget plan goes into effect.

Acquisition and Allocation Cycle Relationships





UNIVERSITY OF MINNESOTA  
TWIN CITIES

Office of the Clerk of the Senate  
Morrill Hall  
100 Church Street S.E.  
Minneapolis, Minnesota 55455

June 26, 1979

President C. Peter Magrath  
202 Morrill Hall

Dear President Magrath:

On June 14, 1979, the Senate Consultative Committee met to discuss the Brown Committee Report on Reallocation (1980-82), along with the recommendations prepared by the University Committee on Biennial Request and Budget Review. The Committee has asked me to transmit the UCBRBR report to you. In general we support the recommendations and comments of the UCBRBR report, and are gratified to note that they show extensive overlap in concerns with the SCEP report which was already transmitted to you. Five points of the UCBRBR report particularly stand out.

1. Timing for each phase is critical and documentation of terms for consultation is needed. There must be adequate time for Budget Executive-Dean consultation, and Dean-Department Unit consultation.
2. The role of the SCC in retrenchment and reallocation would be considerably modified if the Brown report is implemented. We would interpret SCC's role under the new system as participating in the development of the process and of the policy, but not participating in the actual determination of the retrenchments and reallocations. The SCC should be in a position to evaluate the outcome as to whether it is consistent with agreed-on criteria and policy. In addition, we would see a role for SCC in the consultation process in making judgments on the nature and quality of the data supplied. To the extent that the data base is defective, it is obvious that decisions will be subjective rather than objective and bring into play a subjective political process. This should be avoided as much as possible. We note from this year's experience that development of a programmatic data base is essential, and we regret that the Data Base Committee has not functioned sufficiently as yet to overcome the difficulties of the past year in obtaining adequate data.

3. The office of the Budget Executive is a critical matter and it should be central to the academic mission of the University. The SCC expects to be consulted in that appointment. The Budget Executive would make the final decisions and be accountable for them. As mentioned in 2 above, SCC's role would be to monitor these decisions and to give its advice according to the consistency of the decisions with agreed-on criteria and policy.
  
4. Selectivity. The heart of the budgeting proposal lies in the application of selectivity versus the across-the-board approach which has characterized previous retrenchments and reallocations. While we agree with this principle, we also agree with UCBRBR commentary that selectivity does not obviate the need for continuing development of criteria, such as the history of a unit's use of resources mentioned in SCEP's commentary, which should be applied uniformly to all University units. Another example can be mentioned, in that retrenchments and reallocations are not random or done for the sake of doing. Rather a given retrenchment should be pursued with objective criteria in mind for the alternative use of the retrenchment monies. Judgments on the appropriateness of the retrenchment can then be made on the basis of how they meet the reallocation use planned. Such criteria underscore again the need for a valid programmatic data base if subjective, political decisions are to be avoided in implementing selective retrenchments and reallocations.
  
5. Reasons for allocation choices need to be stated and that information should be passed on to all faculty members who are affected by the decisions.

Mahmood A. Zaidi, Chair  
Senate Consultative Committee

# university of minnesota memo

to \_\_\_\_\_  
from Committee Members

Provost John Imholte

Dean Fred Lukermann

Prof. Jack Merwin

Prof. Fred Morrison

Ms. Liz Sands

V.P. Don Brown (chair)

- For your information
- For your approval
- Approved
- For your attention
- Note and file
- Note and return
- Note and forward
- Please advise
- Please comment
- Please reply
- Please handle
- Send copy
- Please see me

Date \_\_\_\_\_ 19\_\_\_\_

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