

SCC MEETING

AGENDA

Time: 1:00-5:00 p.m., November 2, 1978

Place: 401 Coffey Hall, St. Paul Campus

1. Meeting with the College of Agriculture

- Dr. William Hueg, Deputy Vice President for Agriculture and Dean of the Institute of Agriculture, Forestry, and Home Economics.
- Dr. James Tammen, Dean, College of Agriculture.
- Dr. Keith Huston, Director, Agricultural Experiment Station.
- Dr. Roland Abraham, Director, Agricultural Extension Service.

2. Approval of Minutes from October 19, 1978

3. Reallocation Discussion Materials

1. Materials from President Magrath:

- a. Memo from President Magrath of October 27, 1978, to CAO, SCC, UCBRR, and Directors, Department Chairperson and Heads.
- b. 1979-80 Budget Preparation, Consultation and Action Timetable.
- c. 1979-80 Consultation Schedule on Interim Guidelines and Criteria.
- d. Draft from President Magrath to Provosts, Vice Presidents, Deans and Directors dated December 1, 1978, concerning Interim Guidelines and Decision Making Criteria for 1979-80 Annual Budget.
- e. Abstract of General Guidelines and Procedures.

4. Capital Request

5. Old Business

6. New Business



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University Senate Consultative Committee
554 Business Administration
271 19th Avenue S.
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MINUTES OF THE SENATE CONSULTATIVE COMMITTEE

Meeting of November 2, 1978

APPROVED 1/4/79

The All University Senate Consultative Committee convened its fifth meeting of the 1978-79 academic year on Thursday, November 2, 1978, in Room 401, Coffey Hall, St. Paul Campus.

Members present were: Professor George Blake, Professor Wendell Glick (Associate Chairperson), Professor Morrison, Mr. Richard Kottke, Professor Betty Robinett, Professor Richard Purple, Mr. Richard Rydberg, Professor Vera Schletzer, Professor Donald Spring, Ms. Elizabeth Sands, Mr. Frederick Watson, and Professor Mahmood Zaidi (Chairperson).

Professor Zaidi called the meeting to order at 1:00 p.m. and introduced the representatives from the Institute of Agriculture, Forestry and Home Economics, who were to address the Committee: Dr. William Hueg, Deputy Vice President for Agriculture and Dean of the Institute of Agriculture, Forestry, and Home Economics; Dr. James Tammen, Dean, College of Agriculture; Dr. Keith Huston, Director, Agricultural Experiment Station; and Dr. Roland Abraham, Director, Agricultural Extension Service. Each guest gave a presentation with Dr. Hueg giving an overall view and the others presenting more specialized material on their areas of responsibility. Dr. Hueg stressed that the Institute of Agriculture, Forestry and Home Economics has as its mission to go to the people of the state and to work in concert with them to ensure improved resource and human development. In order to carry out this mission, the Institute has three primary functions: resident instruction, continuing education, and research. Within the Institute there are five divisions, Forestry, Agriculture, Home Economics, Experiment Station, and Extension Service, all of which work to meet the above demands. The Deputy Vice President serves as the chief administrative/academic officer and is assigned to the Academic Affairs Office.

Dr. Hueg indicated that one of the great strengths of the Institute is that it has a faculty member in every county of the state, the county extension staff, and outstate locations for research. The outstate centers are extensions of the St. Paul Campus and are not considered centers which will grow to University branches.

Dr. Hueg spent considerable time explaining the information policy of the Institute; pamphlets and explanatory literature are prepared regularly to describe programs and policies of the Institute. He stressed the importance of showing clearly what programs are available and how to relate the success of

these programs to state needs when presenting budget to the legislature and people of the State.

Dean Tammen followed Dr. Hueg and reiterated that the mission of the College of Agriculture is teaching, research and extension to meet the state's needs first, then regional, national and international needs. Because the College is the only academic unit in Minnesota offering the baccalaureate and graduate degrees in agriculture, its programs are of critical importance to the agricultural industry of the State and, in turn, to all of its people. The College recognizes this and endeavors to develop programs of excellence in the various agricultural disciplines. Undergraduate enrollment in the College increased by 67 percent since 1971, reflecting both the growing need for people educated in agriculture and increased student interest in agriculture.

The challenges faced by the College, according to Dean Tammen, are to bring budget, enrollments, and academic programs into concert in a period of reallocation. A major concern is how to meet changes when faced with funding problems; since there is little expectation of significant budget increases, reallocation affords opportunity to meet demands caused by: 1) 67% growth since 1971; and 2) excellent job market. A major challenge for the College is to maintain enrollment at the 1976 level in order to meet the demands of the job market, while the number of high school graduates is decreasing. The college plans to improve the admit/enrollment ratio and to improve retentions as high priority items. The College wishes to stabilize enrollment at approximately 1,950 students.

Drs. Huston and Abraham discussed the role of the Experiment Station, and Extension and/or Continuing Education in the overall agriculture program. These areas focus on bringing information to the people of the state and contributing to the state's economic growth. In these areas, the effort is to conduct research and bring the benefits of that research to Minnesota citizens. Extension programs focus on needs and problems in communities: instruction, information, demonstration, and consultation.

In conclusion, Dr. Hueg stressed that in order to sell the programs in Agriculture, it is important to explain these programs clearly to the legislature--because we are effective with the people, we are effective with the legislature. Professor Zaidi thanked the SCC guests for taking time from their busy schedules to give an interesting and informative presentation to SCC. In the interest of achieving a better perspective on the operation of the University system, Professor Zaidi stated the Committee has heard from the officers of the area of health sciences, and last year from both the Duluth and Morris Campuses. It is most useful for us to be apprised of the respective units' perceptions of their missions. The meeting moved to the regular order of business.

1. Approval of the minutes - the minutes for October 19, 1978 were approved as presented.

2. Vice President Koffler, Assistant Vice President Clinton Hewitt, Associate Vice President Al Linck, and Associate Vice President David Preston joined the Committee for discussion of the Reallocation guidelines/criteria and the Capital Request.

Professor Spring opened the discussion and stated that he had no substantive changes to suggest but that he did think there were some sections of the document which needed clarification, for example, paragraphs two and three on page 22. Professor Spring emphasized that he thought the presentation could be improved if some of the "jargon" was modified.

Professor Glick asked if the working committee dealing with criteria/guidelines avoided prioritizing - Professor Keller responded and indicated that on page 26 priorities were stated in relation to the criteria described in the document. The working group did not want to prioritize categorically because programs overlap in unit operations.

Professor Robinett addressed Vice President Koffler and asked what his perception was of the role of Deans, directors, and department heads in meeting the criteria/guidelines for reallocation. In response, Vice President Koffler stated that they should make critical decisions at the operational level - units should decide what is most important, these decisions will then be reviewed up to the collegiate level. He stressed that decision making was not being taken from the units but that review decisions would continue to be at the collegiate level.

Professor Morrison added that the basic budgeting units are the Colleges and since budgeting may be modified by the Collegiate structure, this may serve to some degree to undermine departments.

Professor Schletzer moved to another consideration and asked whether re-trenchment can be achieved on a proportional scale for departments; Professor Keller indicated that there would not necessarily be uniform assessment. There are many options available, according to Vice President Koffler, therefore, the process has to be selective to meet University needs. The major question is at what level the selectivity should occur.

There is some indication, in Professor Spring's opinion, that even though we rejected reversion that this may be appearing as an alternative. Vice President Koffler, in response, pointed out that there may be a point below which we cannot go so that reversion is possible.

Professor Blake suggested that on page 26 the use of cost-effectiveness be changed because the terminology was not clear and that the meaning of cost-effectiveness should be amplified in a summary. Vice President Koffler agreed that this could be modified.

Professor Zaidi made two suggestions to Vice President Koffler: 1) that faculty have accessibility to the final document, and 2) that the November 15 hearings will raise questions dealing with terminology and, therefore, a glossary of terms would be helpful.

The discussion moved to the UCBRBR document dealing with the Capital Request, and Professor Robinett indicated that she was concerned about procedures relating to building renovation: requests for renovation money should be made at the same time requests for new building money are made, and that working plans for renovation should take precedence over requests for working plans for new buildings. Vice President Koffler agreed this was a good idea but that it would demand intensive study; this was also supported by Assistant Vice President Hewitt. Professor Robinett stressed that in all cases of renovation, there should be consultation with faculty who will use the building during the planning stage.

Professor Keller asked Assistant Vice President Hewitt whether there was interchange of funds between those things which generated fees, such as parking facilities, and if these funds could be applied to other projects. Mr. Hewitt

responded that he had no knowledge of such occurrences and that groups participated with projects in relation to their needs or responsibility.

Professor Zaidi summarized the discussion concerning the UCBRBR document:
1) UCBRBR does not recommend prioritizing and 2) SCC, in discussion, seems to support that position.

Professor Keller raised a final point concerning the UCBRBR statement relating to OSHA; he stated that meeting expenditures for complete compliance with OSHA was not a possibility and to attempt to do so would undermine capital development at the University. An ordered approach to compliance with OSHA would be more appropriate than a priority approach.

Professor Robinett moved approval and transmission of the UCBRBR document with SCC comments to be included in the covering letter to President Magrath. The motion carried.

4. Old Business - none

5. New Business - none

The Meeting was adjourned at 5:00 p.m. The next SCC meeting is on November 30.

Respectfully submitted,

Elizabeth Martin, Administrative Fellow



UNIVERSITY OF MINNESOTA

Capital Request

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

September 27, 1978

- TO: The Honorable Erwin L. Goldfine
- The Honorable Lauris Krenik
- The Honorable Robert Latz
- The Honorable David M. Lebedoff
- The Honorable L. J. Lee
- 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
- The Honorable David C. Utz, M.D.

Dear Ladies and Gentlemen:

I am submitting with this letter, for information and discussion at our October meeting, a draft recommendation on the University's 1979-81 Capital Improvements Request. We should take action on this request at the November meeting in order to prepare the final papers for submission to the State by January 1, 1979.

Although in recent years the Legislature has adopted a pattern of dealing with capital requests in even-numbered years, they have made exceptions for certain buildings. In fact, we know that the Legislature expects us to present further information in the 1979 session on certain capital items that were considered during the 1978 session. It is also possible that the Legislature will consider action on one or two other projects in 1979, even though they are part of the submission for 1980, if there is strong evidence that a 1979 appropriation would yield substantial cost savings.

Before proceeding further, I believe it useful to set out a few basic comparisons regarding our recent capital requests. Below is a summary of requests and appropriations from 1971 to the present:

<u>Biennium</u>	<u>REQUESTS</u>	<u>Session</u>	<u>APPROPRIATIONS</u>
1971-73	\$191,559,360	1971	\$ 40,632,960
1973-75	\$ 73,989,090	1973	\$ 29,492,854
		1974	\$ 1,330,000
1975-77	\$ 62,522,781	1975	\$ 12,300,000
		1976	\$ 21,336,639
1977-79	\$ 68,759,196	1977	\$ 13,465,232
		1978	\$ 30,233,162

Such a general summary should not be used for drawing too many conclusions, since each biennium has had its own special circumstances, but it should be noted that our requests for the last three biennia have been less than \$75,000,000. It should also be noted that the Minnesota Legislature has been able to provide significant support for capital improvements quite consistently over the last several years, and we are all aware that this has been a period of increasing concern about tax revenues and public expenditures.

For the 1979-81 request, we are faced with special circumstances, and I earnestly solicit your reactions and collective judgment. Not surprisingly, our needs for renovation and replacement continue to grow, even though the days of dramatic enrollment growth are over. Capital proposals submitted to the Central Administration by the various units of the University totalled well over \$196 million, and several additional proposals did not have cost estimates, so the total would actually have been higher. On September 6, after several reviews, the capital request was reduced to approximately \$133 million. (A list of those requests that were deleted during the initial review process is contained in Appendix B, entitled, "Capital Requests Not Recommended for Legislative Review in 1979-81.") Since that date further reductions were made in an attempt to bring the total request to a more realistic level. The draft version, which you now have before you for discussion, totals approximately \$98.0 million. (See Appendix A).

The special circumstances relate in large measure to the appropriations approved in the 1978 session. A number of major capital improvement projects were approved at various planning stages in 1978, and, following the normal schedule of planning, working drawings, and construction or renovation activities, these projects would add up to very large appropriations in the 1979 and 1980 sessions.

Much as we might like to assume that approval of a preliminary planning or even working drawing request implies subsequent legislative approval of construction or renovation appropriations, those later decisions are subject to other forces. It simply may not be possible for legislators to follow the normal schedule, even for projects that have their firm support. Further, even as we are working on the various stages of approved projects, other needs for capital improvements continue to emerge as buildings deteriorate and programs change.

Once the list of requests was reduced to \$133 million, the senior officers and I concluded that the total was still too high, no matter how well justified and needed the specific components may be. In the best of fiscal climates, we have not been able to meet all of our most pressing and substantiated needs, and clearly this is not the best of fiscal climates. Further, while we must present our most fundamental needs to those who make the decisions, an unrealistic capital improvements request can compromise the overall credibility of the institution, with negative effects on the operations and maintenance request as well.

Accordingly, I came to the conclusion that a capital request in excess of \$100 million would be, in fact and in perception, too high. Thus, my senior colleagues and I then went back through the list to identify the options for reducing, phasing, or deferring the requests in ways that would make good sense to the University and to the state government.

We tried to consider all reasonable options, keeping in mind (1) the most pressing and most demonstrable new needs not previously heard and/or acted upon by the Legislature, (2) the status of our progress on projects already approved at planning stages, (3) the cost implications of accelerating or deferring previously funded projects, and (4) the programmatic, economic, and legal implications of scheduling a number of long-range utilities programs and remodeling projects mandated by state and federal regulations.

One set of decisions that had to be made was the identification of those requests that should be submitted for potential legislative action in the 1979 session. These fall into three categories. In two instances, we are required by the 1978 bill language to report on projects to the 1979 session. In several others, we were asked to accelerate the planning process, bringing the construction proposals to the Legislature in 1979 in order to reduce the construction time and realize cost savings. Finally, we have a few other projects in planning stages that could be acted upon in 1979 for the same reason. These latter items are not expected by the Legislature until the 1980 session, but where cost savings can be realized, we think the Legislature should have the option of earlier consideration.

The 1979 session list, following the same categories, includes required reports on a poultry research and teaching facility (\$1,700,000) and the veterinary medicine building (\$13,900,000), about which I have an additional recommendation later in this letter. The second category -- requests currently expected by legislators in 1979 -- includes the UMD business and economics building (approximately \$3 million), the Minneapolis heating plant conversion (\$5.7 million), the Crookston physical education complex (\$3.4 million), and five or six smaller projects which add up to between \$500,000 and \$750,000. In addition to these, we believe that a cost-savings case can be realized if 1979 appropriations are made for the vocational-technical education building in St. Paul (\$7 million), the civil and mineral engineering building in Minneapolis (\$16.5 million), the remodeling of vacated clinic space for Public Health (\$3 million), an early start on Fraser Hall remodeling (\$160,000), and the women's softball facility (\$65,000).

The request for the regular building bill in the 1980 session posed more difficult questions. To match my intention to stay under \$100 million for the biennium, it was necessary to determine reductions or schedule deferrals, since our 1979 session recommendations already included, potentially, \$55 million in requests.

Before I explain my recommendations for the 1980 request, I must reluctantly propose a reduction in the 1979 list, changing the request for veterinary medicine from \$13.9 million to approximately \$9.0 million. It is my recommendation that we seek \$9.0 million for the veterinary hospital and very limited improvements in current facilities. I recommend this with full knowledge that an appropriation of the full \$13.9 million would already fall short of meeting that College's needs. Further reducing it to \$9.0 will not eliminate those needs, but I believe we must replace the hospital now and that a \$13.9 million request at this time will threaten the entire project.

Unfortunately, the veterinary medicine capital improvement program became hopelessly entangled in a complex of local, regional, and national issues involving enrollment demands, the supply and demand for both practitioners and teaching faculty, the feasibility of regional centers, and the proper emphasis of the curriculum.

Some of these issues have dubious, if any, relevance to our current request, but the fact is that Wisconsin's decision to build a new school and a recently released workforce study combine to produce even more uncertainty. My reduced recommendation is intended to address the immediate needs, and when the uncertainties can be better sorted out, I would intend to propose the remaining portions of this request. This is one of the painfully difficult choices I made in arriving at the list I am submitting to you. You may individually or collectively assess the situation differently, and I will welcome your reactions.

Turning, then, to the requests intended for the 1980 session, the attached material lists all of the projects recommended. I will limit my narrative comments to those projects I propose for phasing or deferral.

The decisions involved in identifying projects that can be phased or delayed are extremely difficult. Projects that were still on the list after our initial reductions had already received favorable administrative review in competition with other requests; some have survived our internal ranking processes for several years. To the extent that it can be argued that these projects will have to be completed sooner or later, every decision to request them later is a decision to incur some kind of cost, whether it is the cost of continued facilities problems that hurt program quality or the predictable inflationary costs that result from a delay on a construction project. Our request includes a number of projects that have been under consideration for several years and now involve more than twice the cost that would have been the case had they been approved when they were first introduced. Clearly, the 1979-80 Legislature will be looking at requests that would be much less expensive in the long run if they are approved in the next two sessions, but legislators must also be concerned about the maximum bonded indebtedness that the State can afford in any given biennium.

I am recommending that the request for upgrading of facilities to improve access for the physically handicapped be decreased from \$5 million to \$3 million. We had hoped to complete this long-range project with final appropriations in 1980, and this recommendation means that some of that work will have to be proposed in the 1981 and 1982 sessions. Nevertheless, a \$3 million appropriation would still enable us to solve the most pressing problems of physical barriers, and will bring us a long way toward compliance with Section 504 statutes.

I am also recommending that we seek phased funding for the Agronomy, Plant Genetics, Plant Pathology, and Soil Sciences facility. Under the assumption that the Legislature might allow us to split the costs over the 1980 and 1981 sessions, acting on the second portion in 1981 instead of waiting until 1982, we have identified a first phase of \$7.0 million for the 1980 request. I have asked the planners to make every effort to develop plans that accommodate these two phases with as little inflationary cost escalation as possible, but there is no doubt that there will be extra costs.

We had intended to request \$4.4 million for the Green Hall addition and remodeling on the St. Paul campus. Since our request for working drawings on this project was not approved in 1978, approval of the entire request in 1980 will require some period of detailed planning after the funds became available. Combining the working drawings and construction portions of the project was an attempt to accelerate the work to avoid cost escalation, but a delay in the construction request until 1981 would not be a drastic change from the usual planning and construction schedule. Thus, I am recommending that we request \$177,000 for working drawings in 1980.

The 1978 Legislature provided planning money for a \$12.4 million music facility. Language in the bill suggested a West Bank location, on the assumption that existing facilities there might also be used for music activities. From the outset, it has been recognized that \$12.4 million would not be enough to construct all of the facilities envisioned in the original plans for music, and the Chairman of the Music Department has been exploring possibilities for raising private funds for performance space. Further, the department has been investigating the possibilities of locating the new facility on the riverbank. Both are exciting ideas which warrant serious consideration, but they will take time. A fund-raising campaign, if feasible, will also take time to organize and carry out, and a riverbank location will require extensive review under the regulations of the Critical Rivers Act. In addition, the riverbank proposal would involve negotiations with the City of Minneapolis and the Park Board both for land acquisition and the development of roadways. For the moment, I am assuming that there may be land acquisition and development costs that were not anticipated in the \$12.4 million building envisioned by the Legislature. We are checking into these alternatives, and I hope to have an estimate ready by the November meeting so that we could build in a request. Given the likely timing of all these factors, I believe we should propose deferral of the actual construction request until the 1981 session. I do not believe that would delay the actual work significantly, and the submission of a land acquisition request in the coming biennium would give the Legislature the chance to act specifically on the question of a riverbank location.

Finally, I am recommending that we delay the long-standing request for a dairy breeding and nutrition research laboratory at Rosemount until the next biennium. I am recommending that we submit a 1980 request for planning and working drawings for Animal Science, Phase II. My reasoning in making these recommendations may have little to do with the substance of either proposal, but by the same token, both proposals have suffered in past years from circumstances that also have not been related to the specific issues of the facilities in question. The second phase of Animal Science has been entangled with the Veterinary Medicine facilities issues, with the same delays as a result. Both the Animal Science and the Rosemount facilities have also been entangled in the issue of the appropriate numbers of large animals to be housed in St. Paul, and it is my judgment that legislative consideration of the Animal Science planning and working drawings request in 1980 might produce sufficient clarification on these issues to permit 1981 approval of the Rosemount laboratory, with approval for the construction of Animal Science, Phase II, in either 1981 or 1982, whichever makes the most economic sense.

Reducing the 1979-80 requests to less than \$100 million involved far more considerations than I have been able to sketch here, and there were many more, less costly projects deferred until later years. Even with these reductions, we can expect some reactions of skepticism about the University's asking for \$100 million in this year's climate. We could make political headlines by asking for nothing at all, given the current mood, but it is equally clear that doing so would be recommending unreal economies; the requests I am recommending today would cost \$20 to \$25 million more for the same projects two years from now, and all the other projects that would be delayed even further into the future would add several millions more.

The reductions and deferrals also have an effect on the choices open to you for the 1981-83 biennial request for capital improvements. While any number of factors will change by the time the Board considers that request list, I think it is important to understand now what my 1979-81 recommendations imply for our 1981-83 requests. Among the deferred or phased projects that will presumably have to be requested in the 1981-83 biennium are:

Upgrading for the Physically Handicapped	\$ 2,000,000
Agronomy & Plant Genetics, Plant Pathology, and Soil Science, Phase II	6,778,466
Green Hall Addition and Remodeling	4,243,375
Music Facility	12,400,000
Smith Hall Remodeling	4,500,000
Veterinary Medicine	4,900,000
Dairy Breeding & Nutritional Research Lab	1,867,000

We should also note that the cost estimates for these are based on 1979 dollars, so there will probably have to be higher figures to account for further inflation.

In order to place this year's request process in the context of as much long-range planning information as possible, I have also asked the Planning Office to develop a more detailed listing of projects that might be anticipated for the Board's consideration two years from now. I hesitated asking for such a list, because it reminds me of the saying, "the hurrieder we go, the behinder we get," but we already know that many of these needs are inevitable, and it doesn't accomplish anything to pretend that they are not on the horizon.

I look forward to our discussions on these matters at the October meeting. I will be calling each of you in advance of that meeting to respond to questions or suggestions that you might have. As yet, I have not made recommendations about the priorities to be assigned to the individual requests, since your final judgment about the size of the total request and the validity of my specific recommendations will undoubtedly affect the priority decisions.

Cordially,



C. Peter Magrath
President

cc: Duane A. Wilson, Secretary to Board of Regents
University Vice Presidents

Location and Description	Cost Estimates as of September 6, 1978		September 25, 1978 Administrative Recommendation		Deferred or Phased Requests in 1981-1982 Sessions
	1979	1980	1979	1980	
<u>SYSTEM-WIDE AND SPECIAL ITEMS</u>					
Tree Removal & Replacement	\$	\$ 695,000	\$	\$ 500,000	\$ n/a
Upgrade for Physically Handicapped		5,000,000		3,000,000	2,000,000
OSHA Projects		1,000,000		1,000,000	n/a
Energy Conservation/Conversion		2,059,000		2,059,000	n/a
Energy Conservation Surveys	n/a		500,000		
<u>TWIN CITIES CAMPUS</u>					
<u>Academic Affairs</u>					
Archives Building		1,814,400		1,814,400	
<u>College of Agriculture</u>					
Agronomy & Plant Genetics, Plant Pathology, & Soil Science		13,778,466		7,000,000	6,778,466
Animal Science, Phase II, Planning and Working Drawings		744,576		676,576	17,937,827
Poultry Teaching & Research Facility	1,900,000		1,700,000		
Landscape Architecture Remodeling		1,926,207		1,926,000	
<u>Horticultural Research Center, Excelsior:</u>					
Sanitary Sewer		55,068		55,068	
Refurbish Greenhouse		26,106		26,106	
Landscape Arboretum, Chaska:					
Water Connection, Special Item		115,300		119,300	
<u>College of Forestry</u>					
Green Hall Addition & Remodeling		4,417,375		177,000	4,243,375
Cloquet Forestry Center, Research Lab & Classroom Bldg. Addition		456,200		511,000	
<u>College of Biological Sciences</u>					
Zoology Bldg. Addition, Working Drawings		187,500		314,986	n/a
Lake Itasca Forestry & Biological Station:					
Resident Manager's House and Office	n/a		16,976		

Location and Description	Cost Estimates as of September 6, 1978		September 25, 1978 Administrative Recommendation		Deferred or Phased Requests in 1981-1982 Sessions
	1979	1980	1979	1980	
<u>TWIN CITIES CAMPUS, continued</u>					
<u>College of Business Administration</u>	\$	\$	\$	\$	\$
Addition to Bus. Admin. Tower		5,000,000		4,000,000	
<u>College of Education</u>					
Vocational-Technical Educ. Building	7,092,891		7,092,891		
<u>College of Liberal Arts</u>					
Music Building (Land Acquisition)		12,400,000		n/a	12,400,000
<u>East Bank Planning and Remodeling:</u>					
Folwell Hall Remodeling - Completion		2,070,912		2,000,000	
Fraser Hall Remodeling - Wkng Drawings	160,000		*	160,000	3,840,000
Eddy Hall		1,312,510		1,700,000	
Smith Hall Remodeling		6,500,000		2,000,000	4,500,000
<u>Institute of Technology</u>					
Civil & Mineral Engineering Building		16,541,680	*	16,541,680	
<u>Phy Ed/Rec Sports/Intercollegiate Athl</u>					
Field House Floor Installation		n/a		504,000	
Women's Softball Facility	*	65,000	*	65,000	
Shower/Locker Rooms, West Bank & St. Paul					
Playing Fields		n/a		90,000	
<u>College of Veterinary Medicine</u>					
Veterinary Medicine Building	14,200,000		9,000,000		4,900,000
<u>Miscellaneous</u>					
Animal Waste Recovery Unit, St. Paul		263,693		263,690	
Pedestrian Bridge Replacement, East Bank		328,340		328,740	
Univ. Area Short Range Transp. Program		106,000		1,000,000	

Location and Description	Cost Estimates as of September 6, 1978		September 25, 1978 Administrative Recommendation		Deferred or Phased Requests in 1981-1982 Sessions
	1979	1980	1979	1980	
TWIN CITIES CAMPUS, continued					
<u>Utilities</u>					
Heating Plant Conversion, Mpls.	5,700,000	1,069,190	5,700,000	1,069,190	n/a
Heating Plant Boiler Replacement, St. Paul		4,173,000		4,173,000	
Steam Tunnel, St. Paul		120,000		120,000	
Low Pressure Steam Line, St. Paul		200,000		200,000	
Primary Electric, Minneapolis		722,287		722,287	
Primary Electric, St. Paul		753,748		753,748	
Water Distribution, East Bank		345,600		345,600	
Sewer Separation, East Bank		100,050		100,050	
Water Distribution, St. Paul		269,120		269,120	
<u>HEALTH SCIENCES</u>					
School of Pub. Health, Remodeling of Vacated Clinic Space		* 3,000,000		* 3,000,000	
Anesthesiology Remodeling		60,750		60,750	
Microbiology Remodeling		1,895,651		1,895,651	
<u>DULUTH CAMPUS</u>					
School of Business & Econ. Bldg.	3,000,360		3,000,360		
Greenhouse		261,296		261,296	
Gasifier	200,000		200,000		
Campus Utilities		468,260		468,260	
Water Distribution, Phase III		241,000		241,000	
<u>MORRIS CAMPUS</u>					
Behmler Hall Remodeling		297,600		297,600	
Greenhouse				203,800	
<u>CROOKSTON CAMPUS</u>					
Phy. Ed. Bldg. & Outdoor Rec. Complex	3,837,468		3,426,311		

Location and Description	Cost Estimates as of September 6, 1978		September 25, 1978 Administrative Recommendation		Deferred or Phased Requests in 1981-1982 Sessions
	1979	1980	1979	1980	
<u>CROOKSTON CAMPUS, continued</u>	\$	\$	\$	\$	\$
Owen Hall Rehabilitation, Phase I Working Drawings		83,120		40,000	960,000
Primary Electric Rehabilitation, Special Item	148,700		148,700		
Heating Plant Improvements, Special Item		2,114,200		2,114,200	
Land Acquisition (38 acres)	64,600		64,600		
<u>WASECA CAMPUS</u>					
Mechanized Agriculture Facility		610,911		700,000	
Livestock Lab & Holding Facility <u>or</u> Horticultural Teaching Facilities & (1 of 2)		n/a		668,253	
Grounds Maintenance Storage Area		531,994		<u>or</u> 641,300	
Campus Improvements/Primary Electric	21,000	n/a	21,000	367,447	
<u>EXPERIMENT STATIONS</u>					
<u>North Central Exper. Station, Grand Rapids</u>					
Land Acquisition (Contingent Upon Negotiations)		n/a		n/a	
Meeting Room		125,000		100,000	
Water Distribution System		207,600		207,600	
<u>Northwest Exper. Station, Crookston</u>					
Forage and Feed Handling Facilities		63,115		63,115	
Agricultural Research Center Renovation and Addition (To supplement \$35,000 appropriation in 1978) <i>seek reappropriation of this for planning.</i>	158,000	n/a	122,930	190,000 313,000	
<u>West Central Exper. Station, Morris</u>					
Road Surfacing and Drainage		55,216		55,216	
Fire Protection System, Special Item		n/a		125,000	

CAPITAL REQUESTS NOT RECOMMENDED FOR
LEGISLATIVE REVIEW IN 1979-81

<u>SYSTEM-WIDE & SPECIAL ITEMS</u>	<u>REQUEST</u>
Facilities Utilization Study	200,000
<u>TWIN CITIES CAMPUS</u>	
<u>Academic Affairs</u>	
Academic Services	n/a
Armory Remodeling	n/a
East Bank Libraries Planning	n/a
<u>College of Agriculture</u>	
Peters Hall Remodeling	564,000
Peters Hall Addition, Planning & Working Drawings	29,960
Agricultural Engineering, Remodeling & Rehabilitation	2,233,152
Horticultural Research Center, Excelsior:	
Horticultural Products Marketing Building	450,000
Landscape Arboretum, Chaska:	
Air conditioning for Leon Snyder Education Bldg	71,500
Chain link Fence	32,100
Parking lot expansion	36,288
<u>College of Forestry</u>	
Cloquet Forestry Center:	
Campus Improvements (Roads & Lighting)	47,269
<u>College of Home Economics</u>	
Food Science and Nutrition, Completion of 5 Offices, air conditioning for 4 offices	26,000
<u>College of Biological Sciences</u>	
Botany Building Renovation, Planning & working Drawings	300,000
Lake Itasca Forestry and Biological Station:	
Teaching Lab & Animal Holding Facility	254,016
<u>Continuing Education and Extension</u>	
MacPhail Center Remodeling and upgrading of Utilities	241,000
Wesbrook Hall remodeling and rehabilitation	n/a
Ouroboros South basic & technological improvements	32,400
Nolte Center refurbishing and improvements	n/a
3300 University Ave. refurbishing and improvements	n/a
Shops Building additional space and improvements	n/a
<u>College of Education</u>	
Remodeling and Renovation of Burton, Pattee, Peik, Child Development, and other College of Education bldgs	77,000

REQUESTCollege of Liberal Arts

Theatre Arts Equipment and Rarig Completion	343,063
Murphy Hall remodeling	367,000
Journalism Equipment	225,603
Remodeling projects in Hones, Scott, Wulling, Elliott, Ford, Murphy, Johnston Halls; Social Science Bldg., West Bank Art Bldg, Holman & Naegle Bldgs	n/a

Graduate School

Hormel Institute, Austin:	
Energy Conservation Improvements	18,125
Air Conditioning of Basement Tissue Culture Rooms	12,250
Infrared Lab Air Conditioning Replacement	5,700
NMR Lab Air Conditioning	6,000

Institute of Technology

Chemical Engineering Remodeling	n/a
Electrical Engineering Remodeling	600,000
Computer Science Facilities	200,000
Geology & Geophysics Limnological Center Renovation	70,000
Physics Building Improvements	72,800
Mechanical Engineering Renovation	1,200,000

Phy Ed/Rec Sports/Intercollegiate Athletics

Office & Equipment Storage Area in Williams Arena	n/a
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Student Affairs

Anderson Hall Renovation for West Bank Union	46,055
Willey Hall Refurbishing for WBU Gallery	23,975
Multipurpose Rec Sports/Phy Ed/Athletic Complex, Working Drawings	n/a

Miscellaneous

Pedestrian Environmental Improvement	416,500
Transportation Building, Minneapolis	1,400,000

Utilities

Shops Building Modification	200,000
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HEALTH SCIENCES

Diehl Hall Air Conditioning	400,000
Unit J New Construction & Remodeling	
Mortuary Science Remodeling	150,000
Jackson-Owre-Millard-Lyons Remodeling, Phase II	8,911,900
Jackson-Owre-Millard-Lyons Ventilation	1,540,000
Memorial Stadium Remodeling for Physiological Hygiene	118,915

DULUTH CAMPUS**REQUEST**

Remodeling and Renovation of space released by completion of Business & Economics Building	445,016
Remodeling of space to meet changing program needs	397,034
Physical Education/Intramural Facilities	501,230
Renovation of Physical Education/Intramural Facilities	359,000

MORRIS CAMPUS

Plant Services Center, Phase II	399,400
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CROOKSTON CAMPUS

Agricultural Operations Lab, Phases I & II	n/a
Grounds Equipment Storage Building	n/a
Bede Hall Remodeling, Planning & Working Drawings	n/a
Campus Improvements, Phase II	329,932

WASECA CAMPUS

Development of Roadways and Parking Lots	365,700
Food Services/Student Activities Facilities Addition, Working Drawings	104,000
Physical Education Renovation and Addition, Working Drawings	95,700
Addition for Science Laboratory, related Education Offices, Classrooms, and Lecture Hall, Phase II	1,920,000

EXPERIMENT STATIONS**Agricultural Experiment Station, Rosemount**

Dairy Breeding and Nutrition Laboratory	1,867,000
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North Central Experiment Station, Grand Rapids

Tile System Replacement, North Field, Agronomy Plots	20,000
Roadway and Drive Resurfacing	36,288

Northwest Experiment Station, Crookston

Addition to Research Equipment Operations Building	n/a
Greenhouse Rehabilitation	22,000
Chemical Storage Facility	16,800

Southern Experiment Station, Waseca

Road Surfacing and Parking Lots Development	62,000
Irrigation System	40,000
Dairy Heifer Facility	98,117

Southwest Experiment Station, Lamberton

Grain Drying and Storage System	48,384
Shop-Personnel Area	190,000
Land Acquisition	240,000



UNIVERSITY OF MINNESOTA

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

Budget Review

October 27, 1978

TO: Council of Academic Officers
University Senate Consultative Committee
University Committee on Biennial Request and Budget Review
Directors, Departmental Chairpersons and Heads

FROM: C. Peter Magrath

As I believe all of you know, the senior officers and I have engaged in considerable consultation with the Council of Academic Officers (CAO), the University Senate Consultative Committee (SCC), and the University Committee on Biennial Request and Budget Review (UCBRBR) on a draft document intended to stimulate discussion and lead to the establishment of a system for reallocating internal resources on a continuing basis within the University of Minnesota. The purpose of that document, which is entitled "Reallocation and Consultation Procedures in the Reallocation Process," is to promote the development of a reallocation process and, once that system is established, to formulate criteria to be used in making the actual reallocation decisions. Both the reallocation process and the criteria that eventually emerge will be products of genuine consultation among all University constituencies.

At the same time, faculty, student, and administrative representatives have also been working on an interim reallocation process and criteria that might be used in developing our 1979-80 budget. Two basic assumptions served to guide the efforts of this latter group. First, regardless of our actual income from various sources (including legislative appropriations and tuition) in 1979-80, we must undertake an internal reallocation of resources to insure the most prudent and effective management of limited institutional funds. Second, because of extreme time pressures, a mechanism as well as the criteria for making reallocation decisions, must be implemented within the next several weeks. Both of these assumptions are reflected in the document which is attached.

The document itself is somewhat lengthier than I would like it to be. However, in this instance, I believe it is better to err on the side of too much information rather than to err in the other direction. The document was developed by an ad hoc committee that I appointed for the express purpose of drafting interim guidelines for the 1979-80 budget. The committee was chaired by Associate Academic Vice President Al Linck and consisted of the following individuals:

Jim Clark (University Committee on Biennial Request and Budget Review)
William Gardner (Council of Academic Officers)
Warren Ibele (Council of Academic Officers)
Kenneth Keller (Senate Consultative Committee)
Fred Morrison (University Committee on Biennial Request and Budget
Review/Senate Consultative Committee)
David Preston (Health Sciences)

Staff: Carl Adams (Planning Council)
David Berg (Management Planning and Information Services)

After they submitted their draft on October 20, I reviewed it with the University vice presidents, making a number of clarifications and changes, but endorsing the original document as a whole.

I am now submitting the proposal formally to the University Senate Consultative Committee, University Committee on Biennial Request and Budget Review and the Council of Academic Officers for their reactions and judgments. At the same time, department chairpersons and heads will receive copies so that they might discuss the document with their colleagues and communicate departmental reactions to their deans or to their faculty representatives. In addition to discussions with SCC, UCBRBR, and CAO, open hearings are also built into the process and are described in greater detail in an attachment prepared by the Chairpersons of SCC and UCBRBR, Professors Mahmood Zaidi and Fred Morrison. After the document has been internally reviewed, I will make my final judgments and then submit my recommendations to the Regents for their review and action.

The proposal calls for a non-selective retrenchment and selective reallocation for the 1979-80 budget. In future years, I believe that a more thorough, more comprehensive, and improved system might be accomplished through both a selective retrenchment and reallocation. However, given time constraints and other problems, the latter alternative is not feasible for 1979-80.

I also want to stress that the proposed system applies to non-academic as well as academic units. Furthermore, it is responsive to state legislative and executive concerns that public agencies manage their resources wisely and reallocate as deemed appropriate. In fact, our Biennial Request reflects the assumption that we will undertake to reallocate internal resources even as we seek additional and necessary assistance for many of our programs. Finally, let me emphasize that the process and guidelines that are being proposed here are intended only for the 1979-80 budget. A permanent reallocation system is not described in this document.

The consultation that has occurred so far with SCC, UCBRBR, and CAO has been productive and helpful, and I anticipate that this constructive relationship will continue. Because of the high interest that all of you have in the matter of budgetary and reallocation efforts, I will continue to do as much as possible to keep you informed and to take account of your suggestions and observations.

Since the attached statement is rather lengthy, I have had prepared an abstract that summarizes its salient points, and I have also attached a timetable showing the various efforts, along with approximate deadlines, that will take place with regard to the development and implementation of a budget plan for 1979-80.

 CPM



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University Senate Consultative Committee
554 Business Administration
Minneapolis, Minnesota 55454

Telephone (612) 373-3226

October 25, 1978

To the Members of the University Community:

The proposed guidelines and criteria for the 1979-80 budget will be subject to careful scrutiny by the committees of the University Senate charged with this responsibility. Faculty members, students, and groups who have an interest in the budgetary process are invited to submit their views on these proposed criteria to the Senate Consultative Committee and the University Committee on the Biennial Request and Budget Review so that they may be incorporated into the collective advice of the University community to the President. Copies of these statements or presentations will also be provided directly to the President.

The Senate Consultative Committee and the University Committee on the Biennial Request and Budget Review will hold a joint public hearing on Wednesday, November 15, at 3:15 p.m. to receive both written and oral comments regarding the proposed guidelines. We understand that President Magrath and members of his administration will also attend this public hearing to hear your comments directly. The hearing will be held in the Regent's Room, second floor, Morrill Hall on the Minneapolis campus. Telephone connection will be available from the coordinate campuses at places to be announced.

Less formal opportunities for discussion will also be available at the Twin Cities Campus Assembly meeting on Thursday, November 16, and at campus assembly or other meetings on coordinate campuses.

Page 2

If you or your group has a view which should be heard before guidelines for the next annual budget are adopted by the administration, please plan to participate in the public hearing on November 15.

Sincerely,

Mahmood A. Zaidi
Mahmood A. Zaidi
Chairman, Senate
Consultative Committee

Fred L. Morrison

Fred L. Morrison
Chairman, University
Committee on the Biennial
Request and Budget Review

FIL:nmv

1979-80 BUDGET PREPARATION, CONSULTATION, AND ACTION TIMETABLE

- September 8 Reallocation and Consultation document is proposed by President Magrath and sent to Regents, CAO, SCC, UCBRR, and various other consultative groups for review and comment.
- September 21 After discussions with consultative groups, President Magrath appoints faculty/student/administrative committee, chaired by Associate Vice President Linck, to develop interim guidelines and criteria for 1979-80 budget. (One month for preparation of proposal.)
- October 6 President Magrath announces appointment of two other faculty/student/administrative committees to develop budget background information and to draft a more permanent reallocation process and criteria proposal.
- October 20 Linck Committee presents interim guidelines proposals for 1979-80 budget to the President. (One week for review and reaction.)
- October 27 President Magrath delivers his reactions and recommendations on 1979-80 budget guidelines and criteria to the Regents, as well as to CAO, SCC, UCBRR, department heads, and various other consultative groups. Formal consultation schedule for review of guidelines is announced. (Four weeks for consultation on guidelines. See consultation schedule on interim guidelines.)
- November 10
(Regents Meeting) President Magrath reviews his recommendations on 1979-80 budget guidelines and criteria with the Regents.
- November 22 Consultative groups submit reactions on 1979-80 budget guidelines and criteria to the President. (One week for administrative review.)
- December 1 President Magrath sends budget reallocation guidelines and criteria to vice presidents, deans, and provosts, instructing them to begin to develop budget proposals. Regents receive copies of guidelines and criteria, as do the various consultative groups and department chairpersons. (Eight weeks for preparation of unit budget proposals.)
- December 8
(Regents Meeting) Board of Regents takes formal action on concept of reallocation for 1979-80 budget.

- January 12
(Regents Meeting) President Magrath presents annual budget principles to the Board of Regents for information purposes.
- January 26 Vice Presidents, deans, and provosts return their budget requests to the President. (Five weeks for administration to prepare budget proposal.)
- February 9
(Regents Meeting) Board of Regents takes formal action on annual budget principles.
- March 2 President Magrath sends preliminary budget plan for 1979-80 to Regents. CAO, SCC, UCBRR and other interested parties receive budget proposals and formal consultation, along with public hearings, are scheduled. (Three weeks for formal consultation and hearings.)
- March 23 CAO, SCC, UCBRR, and other interested parties return their reactions on 1979-80 budget recommendations to the President. (One week for administrative review of recommended budget changes.)
- April 6
(Regents Meeting) Revised budget is presented to the Board of Regents for information purposes.
- May 11
(Regents Meeting) Board of Regents takes formal action on final budget plan.
- June 8
(Regents Meeting) President Magrath informs the Board of any 1979-80 budget changes that are necessary as a result of legislative actions on the University's Biennial Request.
- July 13
(Regents Meeting) Board of Regents approve final 1979-80 budget.

*A committee of Regents will also be involved in the consultation and review process. This committee will convene on designated Thursday mornings of regularly scheduled Board meetings.

INTERIM GUIDELINES AND DECISION MAKING CRITERIA FOR THE 1979-80 ANNUAL BUDGET

Abstract of General Guidelines and Procedures

Reference Page

Planning Considerations -

"If the long term effort can be sufficiently insulated from current problems, the day may not be far off when we will have a permanent budgeting approach designed to mesh with the permanent planning system and a continuously reviewed set of plans to use in budgeting." (pp. 1-2)

"The precise processes or criteria used may vary in subsequent years as a result of current consultation and, eventually, the availability of a permanent planning system, but an examination of the existing base will also be part of our budgeting for 1980-81 and for every succeeding year in the foreseeable future." (p. 2)

Some Assumptions -

"It seems, then, that a retrenchment amount should be selected on the provisional assumption that our real Operations and Maintenance budget for 1979-80 may not differ greatly from 1978-79. The retrenchment target selected should be large enough to provide internal reallocation. It should not be so large as to present overwhelming difficulties in carrying out this pilot effort at a reallocation process." (p. 4)

Recommendation of a Retrenchment Level -

"...I have determined that our retrenchment target be \$3,000,000 or about 1.7% of the eligible budget base. On the basis of my best current judgement, that target meets, this year, the requirements that have been outlined." (p. 5)

Setting the Retrenchment Base -

"The subject of the budgeting process under discussion is the Operations and Maintenance Fund (01XX). In the future we may wish to include at least some of the non-O and M funds in a single base examination process. Either legally or because of administrative regulations, it is not possible to transfer funding among O and M, State Specials and other funds. Thus there is little point in applying the present process beyond the O and M Fund. Reallocation must necessarily occur within funds, not between funds, in an annual budget." (pp. 5-6)

Exclusions from Retrenchment Base -

"The 1978-79 gross Operations and Maintenance budget is \$234,893,531. From this we propose to make certain exclusions to reach an eligible retrenchment base. The proposed exclusions are of five types:

1. Staff Benefits (\$27,170,922)
2. Dedicated Income (\$17,277,014)
3. Fuel and Utilities (\$10,784,491)

4. Rental Properties (\$1,256,760)
5. Specific Reserves (\$3,774,900)

When the adjustments cited have been made, the eligible retrenchment base is \$174,629,444."

(pp. 6-7)

Retrenchment Rules - In Brief

In units of the major budgeting units retrenchment need not be proportional.

Retrenchment plans should be structured as decision packages and these should be the steps which will lead to a budget reduced by the specified amount.

Each decision package should state the probable effects of the action proposed and should be justified according to the guidelines and criteria of this memorandum.

First retrenchment actions produced should be those that reduce cost without damaging programs or services.

Retrenchment plans should be made on the assumption that they will be carried out during FY 1979-80.

Retrenchment will not reach filled tenure and tenure track positions.

Retrenchment plans must involve a net reduction in expenditures, not mere shifts of expenditures through internal recharging.

Proposals to retrench by reducing salary rates will not be accepted.

Consultation should precede any proposed retrenchments in one budgetary unit which would affect another unit.

Student Aid components (undergraduate and graduate) of the Vice President for Student Affairs and the Graduate School are listed separately. While these funds are not exempt from examination, I believe net retrenchment of them is unlikely.

Retrenchment packages that do not meet the guidelines will be returned for alteration and resubmission.

The President reserves the right to recommend for discussion alternative retrenchment suggestions from any source. (pp. 10-11)

Reallocation Guidelines - In Brief

Allocation requests in excess of double the unit retrenchment are discouraged.

Allocation requests should be in decision package form and in priority order.

Allocation requests which are proportionally distributed within any one of the major budget units will be regarded skeptically.

Each allocation package should state concisely the expected results if the request is granted.

In some cases, retrenchment decision packages may be among high priorities in allocation requests.

Allocation proposals which shift funds from one object of expenditure to another are permissible.

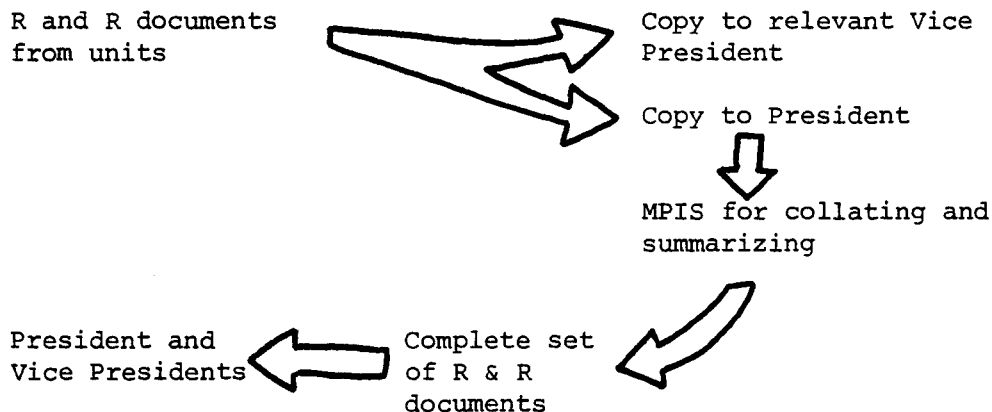
Specific funding requests in the 1979-80 Biennial Request should be included in internal fund allocation requests.

Allocation proposals should include all additional program funds sought from O and M fund resources for 1979-80 - there will be no other allocation later.

(pp. 12,13,14)

Retrenchment and Reallocation Proposals are due in the President's office and in the offices of the Vice Presidents January 26, 1979.

Flow Diagram for Budget Proposals



Criteria for Assessing University Activities -

Centrality - "a measure of great importance"

Two aspects of centrality are discussed - that which applies to the University as a whole and that which applies to individual units.

"The uniqueness of a program as a state and national resource and the relation of the program to the obligations of the University are obvious dimensions of centrality which must be examined and documented. These characteristics gain greater importance to the extent that they are not otherwise available in the region or nation."

(p. 19)

"In a different sense, centrality may be attributed to programs which do not contribute directly to the mission and goals of the University, but which are essential to those units that do."

(p. 19)

Quality -

"The quality of a program or activity is, clearly, an essential aspect of its value to the University, to be encouraged and fostered in every practical way." (pp. 19,20)

"In all colleges, and in the units that comprise them, the quality of instruction, both direct and indirect, should be considered as a significant parameter. Indeed, the integration of teaching, research and service will tend to increase the impact and importance of each." (p. 20)

"For academic units, evidence of quality can come from various sources including program reviews, rankings by external organizations, faculty awards and recognition, research support, placement of graduates, and internal faculty and student evaluations." (p. 21)

"In non-academic and support units, the measures of quality should be cast in terms of outcomes (e.g., effectiveness and timeliness of service, quality of product)." (p. 20)

"For non-academic units, external evaluations should be used, if available. Alternatively, comparisons can be made with the operation of similar activities in other universities or non-university organizations." (p. 21)

Demand -

"The concept of demand clearly involves the desires of students for particular programs, but it also involves the needs of the state and nation for individuals trained in certain areas. Where student demand and career opportunities do not match, the latter considerations should be carefully assessed." (p. 21)

"An associated consideration in determining the importance of this criterion (demand) is the availability of similar programs in the region and in the nation." (p. 21)

"Moreover, since the University in addition to its commitment to teaching, is also committed to research and service, a program that functions as a regional and/or national center for basic or applied research can be viewed as being in significant demand." (p. 22)

Legal or Public Policy Mandate -

"The University's obligation to carry out particular programs may arise in a number of ways. In describing the University's obligations in any of these categories (laws, legislative intent, contracts, etc.) or others of similar nature, the source of the obligation, the degree to which the University is bound by it, and the consequences of failing to comply should be described." (p. 23)

Application of Criteria -

"In making use of the criteria described in this paper, the relative weight to be given to each of the criteria depends on a number of factors. These relate, in part, to the importance of the unit to the mission of the University, and in part, to the nature of the proposed budgetary change. However, in all instances, the goals of the University, the flexibility for future planning and the interests of the state would be protected by examining each activity from the point of view of cost-effectiveness." (p. 24)

"In the reallocation process envisioned for 1979-80, four kinds of programmatic changes can be identified: retrenchment, maintenance, restoration and expansion." (p. 25)

Retrenchment

"The first criterion to apply in determining the appropriateness of retrenchment is that of cost-effectiveness since it provides a way of reducing cost without affecting program quality." (p. 26)

Maintenance

"The constant evolution of programs necessary to meet demand and maintain quality in the face of expanding knowledge and an inflationary economy requires, in many instances, the allocation of additional funds to a unit simply for the purpose of maintaining its quality, responsiveness, or level of service." (p. 27)

Restoration

"The importance to be assigned to the restoration of a program... will rest on a number of factors. It will have to be clear that an opportunity exists; that faculty and students are available to build the program; that restoration can be accomplished in a relatively short time frame and that meaningful progress can be made with limited funding." (p. 28)

Expansion

"Among the important considerations in establishing the desirability of program expansion is establishing the need for the activity, the opportunity for expansion, and the capacity of the unit to absorb and integrate the new program." (p. 29)

1979-80 CONSULTATION SCHEDULE ON INTERIM GUIDELINES AND CRITERIA

October 27 - December 1, 1978

- October 27 President Magrath sends his recommendations on the 1979-80 budget guidelines and criteria to Regents, CAO, SCC, UCBRBR, department heads, and various other consultative groups.
- October 31 CAO meets to give preliminary reactions to the President's recommendations.
- November 1 UCBRBR meets to give preliminary reactions to the President's recommendations. SCC members are invited to participate.
- November 2 SCC meets to review a number of issues, among them being the proposed budget guidelines and criteria.
- November 7 CAO continues discussions of proposed budget guidelines and criteria.
- November 10 President Magrath reviews his recommendations on the 1979-80 budget guidelines and criteria with the Regents.
- November 15 Open hearings on the interim guidelines are held with SCC and UCBRBR. All interested parties are invited to attend, with coordinate campuses participating through phone hook-ups.
- November 16 Twin Cities Assembly meets to review a number of issues, among them being the proposed budget guidelines and criteria.
- November 17 UCBRBR meets to draft final reactions to proposed guidelines and criteria.
- November 21 SCC meets to draft final reactions to proposed guidelines and criteria.
- November 22 SCC sends final reactions on guidelines and criteria to the President.
- December 1 President Magrath, after reviewing the recommendations of the consultative groups, sends the revised reallocation guidelines and criteria to the Regents, vice presidents, deans, provosts, department chairpersons, and consultative groups.



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University Senate Consultative Committee
554 Business Administration
271 19th Avenue S.
Minneapolis, Mn. 55455
Telephone (612) 373-3226

November 3, 1978

President C. Peter Magrath
202 Morrill Hall
East Bank Campus

Dear President Magrath:

At its meeting on November 2, 1978 the SCC discussed and approved for transmission the enclosed UCBRBR document concerning the Capital Request for the 1979-81 biennium. SCC wishes to stress two points which deal respectively with Procedures and Principles outlined in the UCBRBR document. In regard to Procedures, the Committee believes that requests for renovation money should be made at the same time requests for new building money is made, and that working plans for renovation should take precedence over requests for working plans for new buildings. In the case of Principles, the SCC does not wish to express or recommend any priorities as regards projects in the Capital Request; however, some concern was expressed by Committee members that meeting expenditures for complete compliance with OSHA was not a possibility and to attempt to do so would undermine capital development at the University. An ordered approach to compliance with OSHA would be more appropriate than a priority to OSHA regulations.

Cordially yours,
Mahmood

Mahmood A. Zaidi, Chairperson
Senate Consultative Committee

Enclosure

cc: Members, SCC

UNIVERSITY OF MINNESOTA
TWIN CITIES

Law School
285 Law Building
229 19th Avenue South
Minneapolis, Minnesota 55455
(612) 373-2717

DATE: November 2, 1978

TO: Senate Consultative Committee

FROM: University Committee on Biennial Request and Budget Review

The University Committee on Biennial Request and Budget Review has been asked if we wish to indicate priorities among the various items submitted by the University administration in the Capital Request for the 1979-81 biennium. We do not wish to indicate specific priorities, in view of the limited information which we have about the various projects. We do, however, wish to make some general comments about capital request procedures and priorities.

Procedures. We believe that there could be more direct involvement of an appropriate subcommittee of this body or a subcommittee of SCRAP in the capital planning process. We do not wish to criticize the efforts of the administration in consultation on the capital request. The information flow in the development of the capital request (primarily to SCC) has been excellent. It has not, however, been organized in a manner to provide effective consultation. That is primarily the responsibility of the Senate committees to resolve.

Building request planning frequently involves deep involvement of the faculty and students who will use the facility. We wish to encourage this as a primary form of communication. A forum for broader discussion of relative needs should be established, however.

Principles. While we do not wish to express priorities between projects in the present request, we do believe that certain principles can be viewed in evaluating them.

In general, a first priority should be given to the so-called "mandated" expenditures, such as OSHA compliance and fitting for the handicapped, as well as energy conservation. Not only does the law require these steps, but they also represent sound social

choices to provide equal opportunity for the handicapped, to promote safety for faculty and other employees (and concurrently for students), and to seek to conserve natural resources. We think these are sound social choices which our priorities should recognize. A high priority could also be given to those items for which the Legislature has already indicated support.

We also believe that projects for major renovation of existing facilities should have a generally higher priority than new construction. While we do not wish to make comparisons of specific proposals in the present budget, and do not wish to establish firm priorities for the future, we believe that major renovation of existing older buildings may meet some of our space needs more economically than new construction. We would hope that progress could be made toward a continuous process of re-fitting existing facilities for new uses.

We also would express a clear preference for those facilities in which there has been an ongoing and demonstrable involvement of the ultimate users in the planning process.

Cautions. While we believe that individual items in the capital request are meritorious, we would also like to express three cautions.

Operating costs of new buildings have traditionally been added to our Operations and Maintenance budgets on a formula basis. With increasingly limited resources in the state budget, we should carefully analyze the commitments to building operating costs which the new buildings entail. The legislative formula may not meet full operating costs of some kinds of facilities. The continued support of this variety may come into question. Before we build, we should have answers to these questions.

Academic operating costs must also be considered before making a capital request. New facilities may carry with them an implicit commitment for program expansion or alteration, through a different size or facility configuration. Before we request the capital expenditure, we should be certain either that present staff will completely utilize the facility or that we have reasonable expectation of expanding staff and other operating expenditures to utilize it fully. Capital requests which do not meet these priorities should be given low priority.

In an era of retrenchment, we are concerned that a large capital appropriation not be seen by the Legislature as a substitute for an adequate operating budget.

Sincerely,

University Committee on
Biennial Request and
Budget Review
Fred L. Morrison, Chairman

FLM:nmv



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University Senate Consultative Committee
554 Business Administration
271 19th Avenue S.
Minneapolis, Mn. 55455
Telephone (612) 373-3226

November 16, 1978

TO: Dr. William Hueg, Deputy Vice President and Dean, Institute
of Agriculture, Forestry and Home Economics
Dr. James Tammen, Dean, College of Agriculture
Dr. Keith Huston, Director, Agriculture Experiment Station
Dr. Roland Abraham, Director, Agriculture Extension

FROM: Mahmood A. Zaidi, Chairperson, SCC

SUBJECT: Participation in the SCC meeting, November 2, 1978

On behalf of the members of the Consultative Committee, I wish to express our thanks to you for making our visit to the St. Paul Campus so cordial and informative. In the interest of achieving a better perspective on the operation of the University system, the Committee has heard from the officers of the area of health sciences, and last year from both the Duluth and Morris Campuses. It is most useful for us to be apprised of the respective units' perceptions of their missions.

We appreciate your spending the time necessary to prepare the presentations which we found impressive both in their breadth and in their particularity.

cc: President Magrath
Vice-President Koffler
Members, SCC



UNIVERSITY OF MINNESOTA
TWIN CITIES

Office of the Dean

College of Agriculture
277 Coffey Hall
1420 Eckles Avenue
St. Paul, Minnesota 55108

BIM

Agenda Item

2D

December 20, 1978

Dr. Mahmood A. Zaidi, Chairman
All-University Senate Consultative
Committee
554 Business Administration
271 19th Avenue S.
Minneapolis Campus

Dear Mahmood:

I am writing to thank you and through you the All-University Senate Consultative Committee for the opportunity to discuss some of the challenges and opportunities facing the College of Agriculture during your meeting of November 2, 1978. Further, I would like to personally commend the Committee for undertaking a program of this type. It cannot be other than helpful to you and to us in coming to a better understanding of the activities of the various academic units of the University.

Again with my thanks and with my kind personal regards, I am,

Sincerely yours,

James F. Tammen
Dean

JFT: dks