

MINUTES
Senate Finance Committee
November 1, 1984

Present: Mark Brenner, Linda Hanson, Becky Hurst (substitute for Gerry Klement), Wendell Johnson, David Madison, Irwin Rubenstein, David Storvick, Deon Stuthman (Chair), John Sullivan, Phil Shively, President Keller.

Excused: Richard Goldstein.

The principal item on the agenda was a discussion of the two studies of instructional expenditures. One of these was a historical account (1974-84) of U of M data, and the second was a comparison of the public Big Ten institutions minus Ohio State (for FY82-83).

Three items were presented in the U of M study: 1) FYE student number, 2) direct instructional expenditures in 1984 dollars, and 3) their ratio, i.e., dollars/ student.

In the Big Ten study three items were also compared: 1) instructional dollars/student, 2) support expenditures (instructional dollars - faculty salary) per student, and 3) equipment expenditures/student.

Data packages for both studies and a press release summary are attached to these minutes. President Keller indicated that the internal study would be revised (1974 and 1975 will be deleted because of uncomparabilities) before being presented to the Regents.

The comparative Big Ten data clearly illustrate that U of M support for instruction needs improvement. The first question is what is the solution? Part of the solution could come from holding appropriations constant while enrollments decline, but President Keller quickly pointed out that such an approach would be only a partial solution.

The central administration would like to set as a goal being tied for third-fourth for all of the items in these comparisons. To achieve that position, assuming that the other institutions made no net improvements (over inflation), would require \$19 million in each year of the next biennium. Some of the current request addresses some of these items. Subtracting out those requests leaves \$12 million the first year and \$9 million the second year still needed to achieve the above-stated goal. Thus the administration

will ask the Regents to approve an additional supplemental request totalling nearly \$22 million with a stated priority of no. 2, i.e., right after faculty salaries in the O&M budget. This request would adjust the cells in the average cost funding formulas. Currently the Legislature intends for the 1983 figures to be the baseline in the formula. This is particularly difficult for the University of Minnesota since that is the lowest of any of the last 10 years.

Other difficulties with implementing average cost funding include the issue of average cost vs. marginal cost and also the conflict between buildings and operations.

The question about faculty salaries was raised. President Keller said that in this comparison U of M did relatively better for faculty salary/FYE student but did very poorly for TA support/ranked faculty.

President Keller then said that we need to be able to demonstrate better performance if we receive more resources. It was then pointed out that we need baseline data on performance so an improvement can be documented. The recent U of M Alumni Association survey of student satisfaction probably will serve that purpose. It may also provide evidence of greater student satisfaction in relatively better funded units like the College of Agriculture.

There was also a discussion about end runs by groups outside of the U and on items not necessarily included in institutional plans. More communication is needed with such groups so that we don't appear arrogant on the one hand and yet can have a carefully planned and organized effort presented to the Legislature.

The next meeting will be December 6 at which time we will concentrate on identifying those items which will be funded even if no new dollars are available.

DS/mp