



UNIVERSITY OF MINNESOTA
TWIN CITIES

College of Education

Department of Educational Psychology
204 Burton Hall
178 Pillsbury Drive S.E.
Minneapolis, Minnesota 55455
(612) 373-3483

MINUTES

SENATE FINANCE COMMITTEE

May 15, 1985
238 Morrill Hall
8:15 - 9:40 a.m.

Present: Charles Campbell, Paul Gassman, William Hanson, Sally Jorgensen, Gerald Klement, Cleon Melsa (substituting for Wendell Johnson), Jack Merwin, chair; Vice President V. Rama Murthy, Patricia Thomas.

SUMMARY: The planning and budgeting processes were discussed in the broadest terms. SFC members inquired about such issues as how choices are made among requests for funding all of which have a grounding in Commitment to Focus and what guides such choices, what documentation exists for reference at an intermediate level of detail between the most recent collegiate plans and Commitment to Focus, whether it has been too long since faculty and departments had a significant role in the planning process, whether the planning process has made obsolete that part of the SFC's charge which is "to participate and share responsibility for developing criteria according to which budgeting requests are examined and ranked," and whether SFC might profit by occasional joint meetings with the Senate Planning Committee.

Vice President Murthy said the vice presidents had met on May 14 to set forth a collection of items relating to the planning process; they had already been deluged with requests for increases. The University's philosophy will be to minimize the total number of separate items. By their May 21 meeting each vice president will have very carefully reviewed and prioritized his units' requests. Dr. Murthy said everything is being filtered through University planning and priorities. The Minnesota Campaign literature also states priorities; these too emerged from the planning process.

System-wide increases. The biennial request will include line items to cover deficits (fuel and utilities, hazardous wastes, insurance, and others), inflationary run-ups for supplies and expenses, and salary increases of 5% for faculty and 3% for civil service; these total \$67 million.

Unit needs. The concept of rank funding adjustment has been planted at the legislature, Dr. Murthy said. It can include anything which goes to upgrade units, such as faculty retention funds, instructional computing equipment, etc. The University takes the stand that its rank should be at least one point above the Big Ten median. But unit-by-unit comparisons with peer institutions show Minnesota has a sizable rank funding deficit of between \$23 and \$30 million.

Other major request categories:

- Student support --
 - Graduate assistant tuition fellowships,
 - Minority fellowships,
 - UROP (Undergraduate Research Opportunity Program);
- Equipment, facilities (including program accommodation remodeling);
- State specials (both research and service);
- High priority intercollegiate programs, most of which have gotten underway during the last biennium (biomedical ethics, neurosciences, human genetics, biotechnology, and others).

He noted that unallotment may be reduced because state revenues are now expected to be higher than previously projected.

College of Biological Sciences' budgeting prospects. Professor Jorgensen mentioned that each of the CBS dean candidates had reported to the search committee receiving assurances from the academic vice president that the CBS budget could be increased substantially since it was in drastic straits. Vice President Murthy replied that if the new dean produces good program plans such increases can indeed be made through rank funding adjustments over several biennia.

Asked at this point in the meeting how the Finance Committee can take part in the biennial request development, Dr. Murthy asked for the Committee's recommendations on the all-University priorities such as library automation.

Professor Merwin then said he was asking himself if the Finance Committee charge needed to be reworded -- if SFC participation in developing criteria has been superceded by the planning process. Vice President Murthy said the planning process and Commitment to Focus form the basis for setting priorities.

Professor Jorgensen inquired if there is an overall way of judging one priority against another. Vice President Murthy said the financial analysis of the University's funding rank relative to peer institutions determines that. Priorities are dictated by where the gap is highest. Professor Jorgensen observed that presumably those facts have also to be fitted with all-University priorities. She asked who makes these decisions and on what basis; who judges the relative need of very different budget items?

Professor Gassman asked if the committee could see a list of criteria as the Management Committee sees them. Vice President Murthy said they are implicit, and suggested the committee discuss this with the president.

Mr. Klement recommended that the Finance Committee submit for the Management Committee's attention any criteria it believes should be considered. Professor Merwin said it would be helpful if the SFC could see explicit written guidelines so it would be in a position to consult by knowing the relative weights the Management Committee is giving to various priorities. It was his view that SFC ought not to set the budget criteria, but rather respond to criteria and budget plans the Management Committee puts before it. He went

on to say that if the current and future Finance Committee members are to work effectively with central administration, they need to know whether the existing committee charge is outmoded, and change it if necessary.

Professor Gassman then raised the question of what exactly it means to become one of the top five public universities. Does it mean all colleges should be in the top five? Does it mean some should be cut or let slip to mediocrity so others can be funded adequately to be in the top five?

Professor Gassman said that since the planning process recommendations are soft, it is difficult to know what details come under their rubric. For example, where do faculty conditions fit? Vice President Murthy noted that central administration has said faculty salaries and working conditions are a priority.

Professor Gassman indicated that the Finance Committee could function much more effectively if the rules of the game were laid out clearly for it. He asked what would happen if a unit submitted a request item which was in the unit's plan but was not consistent with Commitment to Focus. Dr. Murthy said the Management Committee would not accept a part of any unit's plan which was in conflict with C_tF. For example, C_tF says professional schools will not grow, and some will shrink. If a professional unit requests an increase in its faculty FTE's, the Management Committee does not approve that, even though it might have been in the plan the unit originally submitted; central administration would not have accepted that part of the plan.

Asked what is the all-University plan, Dr. Murthy replied that it is C_tF, which is an integration of planning work of several previous years, but that the details are contained in the planning documents. Professor Hanson noted that there would be C_tF implementation recommendations that cut across colleges to make campus-wide or University-wide improvements (such as proposals regarding Twin Cities' Lower Division). Dr. Murthy acknowledged that central administration is well aware there are University-wide items. Professor Gassman inquired whether those are covered by rank funding adjustments. Vice President Murthy said the advantage of the rank funding mode is that when the appropriation has been made the University has enormous flexibility to apply those funds wisely.

Professor Campbell called the C_tF document very nice, noting how it has captured imaginations inside and outside the University, but also very vague. He remarked that faculty participation in the planning process is now a few years old. He thought the hardest, most serious planning work had been done in the earliest years of the planning process. The most recent two years have involved much less faculty or even departmental participation. Hence, he said, if it is the planning process which puts the details into C_tF, those details may be somewhat out of date. He inquired whether summaries exist of the planning documents and what documentation the Management Committee refers to for guidance. Vice President Murthy said the Management Committee has the 1985 documents in which the deans discussed their plans, and from those documents emerged the priorities. Professor Campbell remarked that SFC probably needs those documents. He asked if SFC could get some material intermediate in detail between C_tF and the latest unit planning documents.

Professor Merwin noted that one C_tF assumption is that funding should not shrink as enrollments are reduced, and that the funding maintenance is a way to build quality. Professor Campbell inquired how then internal intercollegiate

reallocation would take place. Professor Merwin said he had understood the president to say he thought the inter-unit reallocations had been squeezed as hard as they could be.

Professor Merwin suggested the Consultative Committee would need to look at the overall changes in non-finance-related planning. The Finance Committee would need to become pretty familiar with what is in the documents now being referenced.

Vice President Murthy said there might be an executive summary of each college's plan, but no integrative summary. Professor Campbell asked if there was any summary, other than C_TF, of all-University priorities. Dr. Murthy said that except for the Minnesota Campaign statement, there was no other.

Professor Merwin commented that the Senate Planning Committee may understand, better than does Finance, what goes on in the planning process; he suggested these two committees consider how to integrate their efforts and perhaps hold some joint meetings.

Professor Merwin told Dr. Murthy that any materials the Finance Committee could get in writing would be helpful, and that if they could have information to study in advance of meetings, that would be even better.

The next meeting was set for Thursday, May 22, from 1:45 to 3:45.

Annual report to the Senate. Draft copies of the SFC's annual report were distributed. Suggestions are requested to the chair or the secretary before the report is due in the Senate office (May 21).

The meeting adjourned at 9:40 a.m.

Respectfully submitted,

Meredith Poppele, Secretary