

MINUTES

SENATE FINANCE COMMITTEE

June 5, 1986

8:10 - 10:00

Regents Room, Morrill Hall

Present: Charles Campbell, Margery Durham (Chair, Child Care Committee), Linda Hanson, William Hanson, Harry Hogenkamp, Wendell Johnson, Sally Jorgensen, Gerald Klement, Kevin Koch, Ron Kubik, Jack Merwin (SFC Chair), Vice President V. Rama Murthy, Maureen Smith (U. Relations).

Topic: Continuation of discussion about the 1987-89 biennial budget request and capital request.

1. Child Care. Members had copies of the Assembly Steering Committee's request to the Finance Committee to support child care items in the legislative request. Vice President Murthy told the Committee that the vice presidents support child care and central administration intends to include supporting item(s) in the request; they must, however, have more details and figures.

Professor Durham referred to buildings which might be renovated for child care use (the old Boynton Health Service, the former Marshall-University High School), and to the possibility of subsidies for operations such as the cooperatives and for low income students and staff. Her committee had not made an exact budget; the size of the request would depend on what route the University chose at this point. The Child Care Committee does not know what degree of support the budget can permit.

Vice President Murthy asked that her committee assemble and submit to him an optimum budget with concrete recommendations to central administration; he will take the facilities portion of the budget to Associate Vice President Hewitt. Professor Durham said her committee would undertake to prepare such a budget.

Professor Campbell stated his concern that the wording of the Child Care motion from the Steering Committee to the Assembly implies that the Senate Finance Committee has more authority than it actually has and might invite direct appeals to SFC from any number of interest groups. (The relevant part of the motion was "that the Senate Finance Committee strongly consider recommending for inclusion in the 1987-89 legislative request both capital expenditure items and operational subsidy items in the support of child care.")

The Finance Committee by consensus endorsed the recommendation of the Assembly Steering Committee. SFC will await budgetary specifics from the administration or the Child Care Committee or both.

2. Next SFC meeting. The June 11 meeting was cancelled because the vice presidents would not have met again before that date; a meeting will be scheduled for the week of June 16. Professor Merwin will be out of the country then; if possible, the incoming chair of Finance will chair that meeting.

3. Prospects for supporting anticipatory hiring. Professor Hogenkamp recommended that the committee push for a University policy of early hiring to overlap with faculty who would retire over approximately the following five years. Professor Campbell noted the problem of trying to find "mortgage" money when a new hire is not a replacement. Professor Hogenkamp argued that the young faculty are much more likely than the oldest faculty to be bringing in grants. Professor Merwin added that if the University has to wait for the swell of retirements to begin hiring, it will be bidding for faculty at the same time as everyone else.

Dr. Murthy said he liked the idea and would bring up the concept with the vice presidents' group. It might warrant some borrowing from reserves. At present the Northwest Area Foundation has provided a grant for IT to do some of this kind of hiring.

4. Rank Funding Adjustment. Dr. Murthy distributed copies of "AAUDE Instructional Expenditures per FYE; FY 83 and FY 84, Big Ten Schools" and "AAUDE Direct Expenditures Study -- Adjustment to Attain 3rd/4th Place in Big 10 By Discipline, FY 1984."

Dr. Murthy called the rank funding adjustment concept the best approach to the legislature. The University's aim is to be in a tie for 3rd and 4th place in instructional expenditures. In FY 83 the University would have needed an increase of an additional 13% to achieve that rank; in FY 84 it would have needed 11% more. (FYE equals 45 credits per year for undergraduates and 30 credits per year for graduate students.)

The relative positions of the eight schools on which the U has comparable data shifted from FY 1983 to FY 1984. Professor Campbell called attention to several striking anomalies in changes in the relative spending on Minnesota programs between the two years (very large increases and decreases relative to the spending on various units at the other Big Ten schools on the list). Vice President Murthy promised to inquire further into the figures. He stressed that since this set of figures on the U of M's shortfall or surplus depends upon the funding per unit in all the other institutions in a comparison group, if a couple of schools dramatically bolster or reduce one unit, Minnesota's relative position can change markedly even if Minnesota is not making a shift in support. He cautioned against taking the exact numbers too literally, and asked that the tables be accepted as giving in a general sense the magnitude of the deficiency.

Professor Hogenkamp called attention to the University of Michigan's 27% increase and Michigan State's 22% increase in FY 84. Dr. Murthy said those jumps were a consequence of Michigan's study of its higher educational system.

Professor Campbell inquired why Ohio State was not included in the comparison. Dr. Murthy said inclusion depends upon getting the kind of data that cannot be suspect in any way for this particular kind of use.

The University is aiming at a moving target, the vice president said; the question is how much increase we can persuade the legislature to give. Professor Hogenkamp suggested there must be something to be learned from Michigan and from Wisconsin (up 23% in FY 84) and Illinois (up 14% in FY 84).

Mr. Koch warned that if ranking becomes the sole focus of the case to the legislature, people can lose sight of the real point which is the quality of the University. Vice President Murthy assured the committee that the University discusses quality with the legislature when it talks about Commitment to Focus and service to the state.

5. Capital Request. Dr. Murthy gave out copies of the extremely preliminary "Summary: University of Minnesota 1987-89 Legislative Request for Capital Improvements, June 1, 1986." He said the University is at this point seeking the support of the governor's office.

In response to a question Dr. Murthy said there has been no change in the plans for Walter Library.

Members were struck by the contrast between the \$2.9 million sought for Upgrading General Purpose Classrooms and the \$16,290,000 sought for new and renovated Recreational Sports and Physical Education Facilities. Professor Hogenkamp questioned whether the size of the Rec. Sports-Phys. Ed. request makes sense and looks appropriate and whether it is a part of CtF.

Vice President Murthy reported that the estimate on classroom improvement was made by the Physical Plant Planning people on classrooms in the greatest need of renovation. The item is a supplement to the Repairs and Betterment catch-up item.

Professor Hanson cited examples of classroom renovation that has not been done well, where the University spent a lot of money without achieving much improvement. He said planners must consult with the faculty who use the rooms.

Professor Campbell requested more time to reflect on the capital improvements list. Dr. Murthy said he would welcome comments at any time from individuals and from the Committee as a whole.

Ms. Hanson renewed her request for assurances that there are provisions for the minority student cultural centers when Temporary North of Appleby is remodeled; Dr. Murthy said he would check into how they were to be accommodated.

6. Update on O&M Budget request. Dr. Murthy distributed copies of "FY 1988 & 1989 Appropriations Request - Working Schedule #3 - Many Amounts Tentative."

Dr. Murthy noted that this computer print-out differed from the previous version by including the rank funding adjustment. His recommendations had been accepted and entered. Committee members and he commented briefly on a

number of line items.

Academic Salaries: Tentative request is for 2% increase each year beyond the 3% formula, plus \$4 million each year for faculty market and retention as part of rank funding adjustment.

Library Acquisitions: need for an increase far over the overall inflation rate.

Library Staffing, Twin Cities: New item of \$250,000 per year increase to the library staff; program-related in a sense.

Comparable Worth: Administration is presently inclined to complete the adjustments in five years or less. Adjustment imposes a hardship on units with employees not paid on 0100 funds which must still come up with the increases.

Minority Professional School Fellowships: Plan emulates the very fine program underway in the Health Sciences.

International Education: The faculty request for travel funding is incorporated here rather than in the Graduate School item.

Decrease Indirect Cost Recovery Offset: If successful, this request would essentially eliminate the offset.

Student Recruitment, Retention, and Honors: SFC members requested details.

Fellowships for Health Sciences Fellow Specialists (Residents' tuition).

Libraries Automation: base increases only for operations. Coordinate Campuses will be included, raising the figures.

Professor Campbell asked if SFC members could get copies of the summary of legislative requests Academic Affairs had received from the units, and Dr. Murthy said he would provide them for distribution.

State Specials:

Student Loan Matching: Members were puzzled that under current economic conditions money was left over in this budget and hence less would be requested. Dr. Murthy believed monies were unspent because of particular conditions attached to their use.

Movement in the instructional funding ranks. Professor Campbell said that, given the effectiveness of employing the concept of rank funding adjustment he, as one committee member, would find it useful to know, insofar as possible, how much of each line item is for instructional costs. Knowing that would help the Committee see how the various line items would move Minnesota in the rankings.

Propriety of discussions with non-members. Professor Campbell inquired as to whether it would be appropriate to talk about the requests with a non-Committee member such as a dean, not to become an advocate, but in the hope of getting a better understanding of the request. Vice President Murthy recommended that members use their own best judgments. He said not all items in units' requests have a visible connection to the units' respective written plans. Professor Merwin suggested that this work was beyond the committee's charge to develop criteria for budgeting and for the biennial request and for subsequently assessing how closely the criteria have been followed in the requests and the operating budgets.

7. Recommendations from the Senate Committee on Faculty Affairs. Copies were distributed of the May 23, 1986 SCFA recommendations for items to be included in the 1987-89 biennial budget request.

Salaries. SCFA's salary recommendation is for an increase request total of 10% in the first year of the biennium and 6% in the second. Professor Campbell reported that SCFA had viewed the dismaying AAUP salary data. SCFA is interested in the University's getting a substantial amount of money into the salary area with maximum flexibility. The entire population has fallen behind in a way that cannot be justified. He said there was SCFA interest in the president's show of support to the Faculty Consultative Committee for short term extra funding until large numbers of senior faculty retire.

Sabbaticals. Vice President Murthy said central administration wants to increase support and remove the restrictions of the Bush Fellowships which tie support to undergraduate education. He told the Committee he has asked Associate Vice President Robinett to take a proposal to SCFA.

Professor Campbell noted that SCFA finds that less than 20% of eligible faculty members here take sabbaticals. Even the Bush fellowships, which bring salary support to 80%, are undersubscribed (requests are fewer than expected and the quality of some is questioned). SCFA recommends that the University develop other sabbatical models which provide more flexibility, and seek legislative increases of \$500,000 over the biennium to augment some sabbatical salaries to 100%. Very few people can afford to take any plan at less than 100%.

Professor Campbell said there is a strong sentiment in SCFA that the relatively small sum they recommend for sabbatical support in the near future be viewed as a pilot and that the University should not be reluctant to request more from the legislature for this part of faculty development.

Professor Merwin extended the Committee's thanks to Vice President Murthy for his continuing work with the SFC.

The meeting adjourned at 10:00 a.m.

Meredith Poppele,
Recorder