

MINUTES
SENATE FINANCE COMMITTEE
July 22, 1986

3:15 - 4:50
Regents Room, Morrill Hall

1985-86 and 1986-87 members present: Carl Adams, James Clark, W. Andrew Collins, David Hamilton, Harry Hogenkamp, Paige Johnson, Wendell Johnson, Gerald Klement, Acting Vice President V. Rama Murthy, Tom Scott, and W. Phillips Shively, Chair.

Guests: David Berg, Raleigh Kaminsky, Paul Rosenblatt, and Minnesota Daily staffers Lisa Wilder and Geoff Hansen.

1. The Child Care Proposal. Guests: Ms. Kaminsky and Professor Rosenblatt.

Copies of the Child Care Committee's initial budget request, submitted in response to Dr. Murthy's June 5 invitation, had been distributed in advance to SFC members. Dr. Murthy reported to SFC, however, that in a subsequent meeting between himself and a subset of the Child Care Committee (CCC), the committee members had agreed now was not a good time to push the capital request, and had trimmed their budget accordingly. Copies of the new proposal were distributed to SFC members; the budget totals \$303,708 per year and omits any capital improvements or University site expansion. Prime elements are:

- \$40,000 for a 75% coordinator and 100% secretary and some SE&E,
- \$25,000 to participate in a referral and training network,
- \$30,000 as a contingency to support sliding fee scales for student users (if the Student Services Fee for child care support is eliminated),
- \$35,650 to provide a 5% increase in the West Bank Center's subsidy so as to cover scheduled pay equity adjustments,
- \$34,000 in subsidies to the Commonwealth and Como Centers' rent, utilities, and maintenance,
- \$96,186 as a 30% subsidy of Commonwealth and Como's other operating costs,
- \$42,372 for a demonstration project voucher system for needy University-affiliated families to purchase child care at non-U of M locations.

Dr. Murthy told the Finance Committee that while he was a strong supporter of the goal of improved access to high quality child care for University-connected families, the question was how best to go about achieving it. He did not find the budget as currently set out to be convincing. The budget figures are soft and the rationale needs to be made explicit. The first budget, he said, had seemed wholly premature since the quest for new space has not been integrated with University planning or with Physical Plant

Planning and since there are half a dozen University bidders for the old St. Paul Boynton Health Service, one of the two proposed new facilities.

Professor Rosenblatt noted that the mechanism for support of referral services would probably be a reimbursement to University users of the fee they had paid to such a service provider. He said it would be important for part of the proposed coordinator's time to be devoted to planning so a plan can be well cast by the time the University's next capital request is to be formulated. And he said that the subsidy for the Como and Commonwealth Centers is sought to treat them equally with the West Bank Center and assure they can employ appropriately-educated workers at adequate pay.

Professor Shively suggested that the usual capital improvement route be followed by submitting an item in the upcoming capital request for planning money, rather than expecting a major part of the coordinator's time to be devoted to the one-time job of planning. But others said that the part of a coordinator's time devoted to planning would be filled with strictly coordinating work once additional sites were in operation. Professor Collins added that because there are current moves within Campus units to establish local child care centers, a coordinator is likely to have a significant coordinating role soon. The Child Care Committee members confirmed that the proposed coordinator would oversee all the center directors.

Professor Shively told the group that if the current request is seen as a first step in what will become a larger commitment, he would like for the budget to state explicitly that part of the request is intended to plan for a future capital outlay.

Professor Hamilton asked whether the budget, if approved, would make University child care cheaper than child care elsewhere in the community, since the University is not supposed to compete with private enterprise and the question will surely be raised in the legislature. Professor Rosenblatt said the competition is more for quality than for price; people paying full fare at the University pay far more than they would for neighborhood family day care.

Mr. Clark questioned how the legislature would treat a request which primarily improves the current care rather than providing room for more child care, which is what we seem to need.

Professor Johnson recommended that SFC steer clear of micromanagement but make clear what it regarded as the maximum defensible budget total.

Ms. Kaminsky noted that, given the governor's public support for state assistance to child care provision at the state's AVTI's, the time looks right to go to the legislature with a strong request. Professor Shively echoed this assessment, and added that it is possible assistance in this area for the University might get folded into some comprehensive program of state assistance for child care within higher education.

Professor Scott inquired how the University differs qualitatively in its child care. Professor Rosenblatt replied that the University can pay workers more and so can hire better qualified people. Professor Scott found that to signify a very sensitive issue. The situation is one in which state money subsidizes the pay of child care workers at the University while many child

care workers have to work at or close to minimum wage and seem unable to do anything about their situation.

Some SFC members thought the committee was too uncertain and insufficiently informed to make a decision yet. (NOTE: This was in part a consequence of more than half the membership's having turned over on June 30, after consideration of a child care request had already begun.)

But Professor Shively sensed committee agreement on the worthiness of at least funding a coordinator and of subsidizing the centers on a continuing basis. Professor Collins noted that the Assembly had gone on record June 5 as favoring a line item in the budget. He further pointed out that slots for child care are going to be added in the University's name; the University ought to make sure those are of good quality. He saw the immediate need as primarily one of program planning.

Mr. Clark urged that no capital planning request be made this year because until the University knows that it wants to add spaces and why, it surely will not be able to make the case to get them. The University would be setting itself up for a flat legislative denial of any capital request.

CONSENSUS.

There was Finance Committee consensus on approval of a budget of at least \$200,000 which would include, at a minimum, funding a coordinator's office and subsidizing the three existing centers. Details of the budget and its justification will be worked out between the Child Care Committee and Dr. Murthy.

2. The Biennial Budget and Capital Requests.

Professor Shively asked Dr. Murthy about reactions to the tentative request submissions and central administration's reaction to the anticipatory retention request.

Vice President Murthy said the entire July 18 meeting of the University's Legislative Request Committee had been devoted to the capital request; he has had no further discussion with the vice presidents yet on the O&M budget. (However, it had not been possible to prepare copies yet for the SFC of the prioritized capital request.) But he added that he believes strongly in the value of using money for anticipatory retention, and said he would continue to advocate that centrally.

He told SFC that President Keller still finds the net increase over base too large to request of the legislature. Prioritizing and trimming are what the vice presidents have to do at their next meeting (August 13).

Bases for establishing the capital request.

Since time remained for Finance Committee discussions, and since new materials were not yet available, Professor Hamilton asked Dr. Murthy to discuss with the committee the basis and priorities on which the administration sets up the capital requests. Dr. Murthy used as an illustration the set of requests for schematics and working drawings and described the prioritizing as depending on the University's highest overall priorities and on the cen-

trality of a capital improvement to the University's plans. He agreed with Professor Hamilton's assessment of it as a highly qualitative kind of decision-making and said he could not imagine how it could be quantified.

Professor Hamilton noted that of course the University's broad planning issues have a direct relationship with the capital request. If and when those are not linked, he asked, what do the vice presidents have to go on? He inquired as to the kind of planning information on which the vice presidents based their compilation and prioritization of the current capital request.

Dr. Murthy said central administration relies on the area vice presidents to relate incoming requests to priorities. Dr. Hamilton pressed to know the kind of information and documentation used. Dr. Murthy said Academic Affairs uses the planning documents which have been approved. In the case of assessing the need for renovation of the basic sciences within the Health Sciences, about which Professor Hamilton inquired specifically since he serves on the internal committee which is still gathering data, Dr. Murthy said that Vice President Vanselow had gathered enough information this spring to make the initial case. There is still time ahead to write the definitive rationale for that request.

Nature of the Finance Committee's contributions to final decisions.

Mr. Clark inquired whether the Finance Committee still does, as did its predecessor the University Committee on Biennial Request and Budget Review, pay a lot of attention to the prioritizing proposed by the administrators who prepare the request and, to the extent that the committee differs with the priorities, articulate an alternative to the president. UCRRBR, he recalled, customarily submitted its report to the Consultative Committee which would then consider and forward it, with or without further comment, to the president.

Professor Shively saw the committee as inclined to do that kind of thing but as finding that the coordination of SFC's meetings with the work of the vice presidents had not always left time to carry out that exercise.

Mr. Clark recommended that the Finance Committee or some other body make the statement that the schedule needs to be such that the vice presidents do their work early enough for the appropriate governance committees to have a serious and meaningful go at it. He said that the old commitment of making sure everything got waved under the Senate's nose seems to have slipped; he favored trying to recover that practice. The Committee members seemed to agree with that view.

INVOLVING
SFC
EARLIER.

Dr. Murthy remarked that he always brings documents to the Finance Committee after the vice presidents have met and made decisions. He proposed bringing the committee the list first and then, based upon the members' sense of planning, SFC's prioritizing the list which he would then take to the vice presidents. Professor Hamilton recommended that since the committee members cannot be adequately informed about planning the vice presidents continue to do the initial prioritizing, but be flexible enough to consider modifications if the Finance Committee recommends them. But Professor Shively wanted to accept Dr. Murthy's suggestion and give SFC the initial opportunity to suggest an order of priority.

Legislative calendar on considering requests.

Professor Scott noted that there appears no longer to be a rule confining

capital requests to the legislature's off-year sessions.

Additional materials distributed.

- Dr. Murthy distributed copies of the FY 1988-89 Appropriations Request Working Schedule #7, which barely differed from #6.

- Sabbatical leave proposals. Dr. Murthy distributed copies of the sabbatical leave proposal submitted by the Professional School Deans Council. (When the SCFA proposal was distributed to SFC in June, some members had asked to see this deans' submission as well.)

Next meeting and request for materials in advance.

The next Finance Committee meeting was anticipated for the latter part of August, shortly after the August 13 meeting of the Legislative Request Committee. Professor Shively said he would like very much for the SFC members to receive, in advance of that SFC meeting, the most up-to-date form of the budget request and capital request. He pointed out that that would be sensitive material and that any leaks would make it impossible for the committee to have that privilege in the future.

The meeting adjourned at 4:50 p.m.

Meredith Poppele,
Recorder