



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University
Senate Consultative Committee
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FACULTY CONSULTATIVE COMMITTEE

October 8, 1981

MINUTES

The Faculty Consultative Committee met at 11:00 a.m. in 300 Morrill Hall on Thursday, October 8, with Chairman Douglas Pratt presiding. Other members present were Marcia Eaton, Robert Brasted, Virginia Fredricks, John Howe, Rick Purple, Donald Spring, and Pat Swan. Guests were Maureen Smith (University Relations) and Donald Jacobson (Daily).

1. SCC and FCC meeting division.

FCC meetings being advertised and public changes their nature. The business the President now brings to the FCC is often going to be repeated to the SCC, which deadens the SCC meetings and preempts the students. (The September meetings exemplified this tendency.) Professor Spring noted that the separate meetings arose during the Rajender litigation when small private meetings were the only means to discuss sensitive issues.

There was general discussion of the value in preserving the opportunity for separate meetings as, for example, for closed sessions for FCC briefings on reasons behind personnel decisions, and open but separate meetings on topics of primarily faculty concern, such as salaries.

The FCC agreed they wanted to maintain the additional calendar of meetings with the President for all business on which either he or they want an exchange. The FCC acknowledged it does act independently in significant areas: 1) steering reports of the Judicial and Tenure Committees to the Faculty Senate; 2) interviewing final vice presidential candidates; and 3) consulting on legislative strategies.

The limited provision in the new constitution for closing a meeting includes protection of the rights of an individual. Professor Eaton reasoned that that includes the President's right to ask for discussion and advice in private.

Professor Swan said the FCC might be asked by "management" to participate in a closed meeting when the FCC perceives that the agenda subject(s) could properly be discussed in an open meeting. However, two instances in which the FCC would wish to be consulted early, before publicity was appropriate, would be 1) on the process and progress in major hiring searches, and 2) on planning presentations to the legislature.

Professor Pratt summed up the considerations expressed: 1) the FCC will continue to reserve the morning meeting times for itself and with the President

for items clearly of faculty interest, and 2) the FCC recognizes its and the administration's prerogative of closing a meeting when it appears legitimate and wise to do so under the tenets of the constitution. Professor Swan emphasized that the constitution calls for, and the FCC intends, an open discussion by participants at the outset of a meeting on whether or not to close the meeting, followed by a vote.

Vice President French joined the meeting at 11:30.

2. State's financial situation and implications for the University.

Professor Pratt stated that faculty are anxious about University money problems. Professor Spring reported that Morris campus faculty are furious about the size of the projected faculty raises and the delay in paying them, and enraged to see public school teachers turning down offers of 24% raises.

Professor Howe observed that the University is approaching the prospect of an absolute retrenchment in the face of the reported \$450,000,000 state revenue shortfall. Vice President French said the University could possibly receive between \$10 million and \$30 million less than the legislature appropriated.

There was discussion of what units of University faculty in the state would receive increases, and of what size, and of whether reserves for University faculty could be mined to pay a larger increase to unionized units, within the University and in other systems. No one knew the answer with certainty.

The University's current 2.1% retrenchment is assigned across-the-board to augment faculty salary increases. Vice President French said some units have said they are unable to absorb this cut and believe the faculty would rather not have the increment than cut what they simply cannot afford to lose. Professor Swan pointed out that the difficulty should not be addressed as a one-time sacrifice question. The state and University are facing half a decade or more of tight times, as Vice President Keller has pointed out to the deans and directors in his memorandum of September 17.

Vice President French said the University started to adjust about three years ago by beginning the all-University planning process which looks 5 to 10 years ahead. The administration wants to have planning drive the budget instead of the reverse. Professor Swan said the faculty are going to have to adjust their thinking similarly, to face the new financial trend.

Professor Pratt asked if, with the current short notice, it will be possible to link planning with spending cuts. Planning began in anticipation of a steady-state, not of sudden shortfalls. Professor Purple noted that educators' salaries have suffered inequitably over the past 8 to 10 years.

Professor Swan reported that the Senate Finance Committee strongly urged Vice President Keller to find more than 2½% to supplement the faculty salary increase; they pressed for up to 5, 6, or 7% additional. The Senate Consultative Committee discussion, however, indicated cuts should not exceed 2½% because of the consequent damage to the academic units. Professor Spring added that the SCC wanted a hold on further cuts until they could be planned rather than executed across-the-board.

Vice President French stated that the Budget Executive had concluded, after long discussion, that at this stage the cut would have to be across-the-board. They need input from both administration and faculty to make programmatic cutting work.

It was observed that, contrary to expectations, the budget crisis began before enrollment began to wane. Vice President French said he anticipates that more students will choose to attend a state university instead of the University of Minnesota, out of cost considerations.

Professor Swan pointed out that because funding is highly mixed, the University does not recover much by shutting even sizable units.

Professor Howe asked Vice President French if enrollment limits have been considered, and the Vice President said they have not.

Professor Spring said that because University education is a bargain, one might consider raising tuition sharply. But then, because the means of financing education are also falling off, students are likely to take their second choice and go where they can afford to go.

In conclusion, Professor Purple cited the phenomenon of entrepreneurship by units as they seek more income--through contracts with business, through patents, through outside consulting ventures.

The meeting adjourned at 12:30 p.m.

Meredith Poppele, SCC Secretary.

SEP 24 1981



UNIVERSITY OF MINNESOTA

Office of the Vice President for Academic Affairs
213 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

September 17, 1981

TO: Deans and Directors of Units Reporting to Academic Affairs

FROM: Kenneth H. Keller, Vice President for Academic Affairs ~~K.H.K.~~
Nils Hasselmo, Vice President for Administration and Planning N.H.

RE: Upcoming Planning and Budgeting Activities

With the start of a new academic year, we wanted to lay out in general terms the schedule for upcoming planning and budgeting activities. This schedule is complicated somewhat by the uncertainty of the current year's final budget. Moreover, in this year we want to integrate to the fullest extent possible the planning activities which have been under development and the two-year budgeting process which was initiated so successfully with the 1980-82 budget plan. It is our assumption that by spelling out this timetable, you and your colleagues will be better able to anticipate the approaching events.

Early last week each of you received a memorandum from the Budget Executive requesting that you set aside funds in anticipation of a final salary appropriation which might fall below the University's salary increase. As soon as the final appropriation is known, the amount set aside will have to be reconciled with the amount required to meet salary increases. Because it is not known when the salary appropriation will be determined, a date is not given on the attached calendar.

Even though the 1981-82 budget may be undecided, it is important that we move ahead with the completion of our first cycle of long-range planning and the formulation of our two-year budget plan for FY83 and FY84. In doing so, we want to ensure that short-range budgeting decisions flow from the longer-range programmatic decisions and institutional priorities arrived at in the planning process. The attached schedule reflects this philosophy.

To conclude our first cycle of planning, it is essential that there is a clear understanding of the fundamental points contained in the final planning memorandum. To accomplish this, we would like to hold planning conferences with each college and support unit which reports to Academic Affairs. These meetings will be used as a forum to review in detail the final draft of the planning memorandum and to discuss programmatic planning issues. Since we are committed to a retrenchment in 1982-83 which will be programmatically based, this session will also serve to identify from your priorities what programs may be candidates for reduction in scope. We can also identify particularly important areas for immediate growth. We are proposing that these meetings take place during October and into November as necessary. Shortly thereafter a final planning memorandum will be sent to each college and support unit.

Deans and Directors
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With a common understanding of the longer term direction of each college, we shall be in a position to work with the Budget Executive in developing the budget plan for 1982-83 and 1983-84. This process will examine the most effective and most efficient resource allocation strategies for each unit, given its longer term direction. The Budget Executive is planning to conduct budget conferences in December and January. A draft of the budget plan for the University will be completed by early February.

Results of both these planning and budgeting processes will then feed into the determination of items to be included for the 1983-85 O & M Biennial Request. Decisions on these items will be made before completion of this academic year.

Within the next few weeks, our offices will be in contact with each of you to describe the planning conferences in more detail and to agree on a date. Later in fall quarter, detail will be forthcoming on the format and schedule for the budgeting conferences. If you have any questions in the interim regarding the general sequence of activities, please contact Rick Heydinger in Academic Affairs (3-2495). He will be coordinating these activities and will be happy to discuss them with you. Of course, either of us also stand ready to answer any of your questions.

cc: C. Peter Magrath, President
University Vice Presidents
Senate Consultative Committee
All-University Senate Finance Committee
All-University Senate Planning Committee

CALENDAR OF PLANNING AND BUDGETING EVENTS

1981-82

September	Units Requested to Set Aside Funds for Salary Increases in 1981-82
October-November	Planning Conferences with Each Unit
November	Final Planning Memoranda Sent to All Units
December-January	Budgeting Conferences with Each Unit
February	Draft of Two-Year Budget Plan Completed
June	Biennial Request Items Agreed Upon