

MINUTES

SENATE FINANCE COMMITTEE

June 4, 1987

3:15 - 5:15 p.m.

Regents Room, Morrill Hall

Members present: Carl Adams, John Adams, Tim Allison, Bill Boylan, Jill Gaudette, Sally Jorgensen, Wendell Johnson, Gerry Klement, Tom Scott, Phil Shively.

Guests: Roger Benjamin, David Berg, Mary Bilek, Shirley Clark (FCC Chair-designate), Stan Kegler, Jud Sheridan, Maureen Smith.

1. Review of the legislative session. Vice President Kegler.

Members had received in advance a set of documents from Vice President Kegler entitled "Results of the 1987 Legislative Session." Dr. Kegler called attention to certain details and responded to questions.

A. The O&M appropriation. The 4.5% increase appropriated for University faculty salaries is nearly twice the rate allotted for salaries in the rest of higher education; the request for the libraries was fully funded; the appropriation for repairing and maintaining major space is welcome. Absence of any appropriation for the operation of new space is a burdensome failure.

Comparable worth. While the University has not received comparable worth funding and all the other agencies have, their employee complements wer reduced: they can pay more, but to fewer workers.

Rank Funding Adjustment. At the current rate of appropriation, the University will not reach 3rd place in the Big Ten until further than hoped for into the 1990's. The state will still use the 12-cell model for the University; Mr. Berg said the University would be expected to argue for applying higher numbers in the matrix.

Straight tuition schedule. A rider prohibits the University's use of a band (currently from 14 to 18 credits). It is Mr. Berg's understanding the rider applies only to the undergraduate tuition schedule. Professor Jorgensen raised the possibility that, without violating the rider, the University could set different rates for different blocks of credits; the rational basis is that each credit a student takes above an average number of credits adds less to the University's costs.

B. Capital appropriation.

Biological sciences. A \$250,000 appropriation comes with a rider

for the University "to develop a comprehensive capital improvement plan for biological and related sciences." The legislature questions why the Twin Cities Campus has two separate biological sciences units.

Recreational Sports Complex. Construction cannot begin until the state appropriation is matched by \$4 million from student fees and \$5.2 million from private funds, and the University cannot apply for the special \$3 million to upgrade a swim facility to Olympic standards until those funds are in.

The official sessions on the bonding bill were held late in the legislative session and were brief, Dr. Kegler told SFC.

Legislative Commission on Minnesota Resources. While LCMR constitutes almost a separate budgeting process, Associate Vice President Murthy now screens all requests submitted from U personnel for consistency with University priorities.

HECB bill. The University may have to make a legal challenge to the provision that HECB will have approval or disapproval authority over new and additional programs.

Child care aid. The Health and Human Services bill sets aside \$5.3 million for the biennium for AFDC post-secondary students; funds will be administered by county welfare boards across the state. An additional \$2.2 million is available for child care for other needy post-secondary students.

Greater Minnesota Corporation/Reinvest in Minnesota. Some of the four regional research institutes provided for will be linked to the University.

Sales tax liability. Still to be determined is whether the University is exempt.

Professor Shively voiced the Committee's gratitude to Vice President Kegler for all that he has accomplished at the University in this and all earlier years of working with the legislature. (Dr. Kegler has announced his resignation, effective as soon as a successor is chosen.)

2. First Approximation of the 1987-88 Budget. Vice President Benjamin.

Dr. Benjamin distributed copies of several budget-related documents and commented on them.

- Discretionary funds for the year have been allocated to all the campuses.

- \$2.6 million was appropriated for rank funding adjustment.

- If the University deviates from legislative intent in its application of any funds, it must clearly explain the reasons.

-Formula applications:

- Academic salaries and fringe benefits: 5% increase for coordinate campuses; 4.75% for increase and 0.25% for retention for Twin Cities Campus;

- SE&E @ 2.5%;

- Cancellation of last year's disallocation means over \$2.9 million set aside for debt service is available for other uses: most must go for fuel and utilities;

- Comparable worth: University will budget to achieve it on a 7-8 year schedule;

- U will harden its soft money instructional commitment to School of Management;

- Rank Funding Adjustment distribution: \$433,333 to UMD, \$100,000 to UMM, and \$2,066,667 to UMTC; Dr. Benjamin added that people should expect the planning process to produce Twin Cities reallocations next fall larger than the \$2,066,667. Each coordinate campus has autonomy in the use of its allotment.

- Library Staff and Acquisitions: appropriation is exactly what U requested in both amount and distribution.

State Specials Appropriations: No funding for Hormel Institute.

Technical Services Shops: The Senate Committee on Research has formally requested that the central subsidy for the Technical Services Shops remain at \$223,000 in FY87-88; the proposed budget shows support from the ICRF of \$144,991. Graduate School Associate Dean Jud Sheridan explained briefly the recent history of this subsidy. Professor Shively commented that neither the Finance Committee nor Academic Affairs could comment on the appropriateness of this particular subsidy until the budget is known in fuller detail.

The meeting was adjourned at 5:15 p.m.

Respectfully submitted,

Meredith Poppele
Secretary

May 29, 1987

To: Senate Finance Committee
From: Phil Shively
Re: Our June 4 Meeting

SENATE FINANCE COMMITTEE

THURSDAY, JUNE 4, 1987

3:15 P.M. - 5:00 P.M.

Regents Room, 238 Morrill Hall

AGENDA

1. Review of Legislative Session. Vice President Benjamin or Vice President Kegler (Attachment: Results of the 1987 Legislative Session)
2. First Approximation of 1987-88 Budget. Vice President Benjamin.
 - a. Technical Shops Subsidy. (Background: Senate Research Committee's Motion to Support a Maintenance Funding Level for the Technical Services Shops in FY 1987-88 distributed for the May 21 meeting of Finance Committee -- Guest: Jud Sheridan)
3. Vice President's Items. Vice President Benjamin