



UNIVERSITY OF MINNESOTA
TWIN CITIES

All University Senate Consultative Committee
383 Ford Hall
Minneapolis, Minnesota 55455
Telephone (612) 373-3226

MINUTES

APPROVED 9/25/80

Senate Consultative Committee / University Committee on
Biennial Request and Budget Review -- Joint meeting

July 9, 1980

Chairman Marcia Eaton called to order the joint meeting of the SCC and UCBRBR at 12:10 p.m. on July 9, 1980 in the Dale Shephard Room of the Campus Club, for the purpose of prioritizing the 1981-83 Capital Request and the 198.-83 Biennial Request. Present were SCC members Julie Bates, George Blake, Robert Brasted, Fred Morrison, Judy Nord, Doug Pratt, Paul Quie, Vera Schletzer, Skip Scriven, Don Spring, John Verrill, Al Ward, and Sue Pribyl, and UCBRBR members Dwight Brown and Bob Hexter. (Bates, Eaton and Morrison are also UCBRBR members.) Trish Van Pilsum of the Daily also attended.

The minutes of June 19 and June 27 were approved without dissent.*

The Chairman apologized to the student members for the fact that no students had received a "Green Book" (Biennial Request adjustments to "Blue Book" of last winter) in advance of the meeting. She had been able to obtain a copy for their use at the meeting. Eaton turned the conduct of the meeting over to UCBRBR Chairman Fred Morrison. He distributed copies of the administration's most up-to-date list of capital requests, which appeared to be listed in random order. He pointed out that the requests of each campus are to be ranked among themselves, independent of the other campuses. He also noted that the administration's consulting schedule indicates one more discussion on the Capital Request, late in July, among SCC, UCBRBR, the President and the Budget Executive.

Capital Request.

The committees first reviewed the major construction items. Hexter asked whether SCC or UCBRBR has ever been provided with details on the relevance of each of these requests to the educational mission of the University. The answer was "no," and Morrison said the link in the planning system between Physical Plant Planning and Academic Affairs is perceived as a weak one. Hexter and Eaton remarked that there has not been sufficient consultation within each unit to determine its priority of needs. Hexter observed that an outsider's perception of need depends to some extent on the dynamism of the department head. Morrison added that the Planning Council is attempting to improve the intra-unit aspect of planning. Bates asked about the existence of East Bank planning committees and Morrison said there is one for IT and one for Walter Library.**

The committees then proceeded to rank all the items for which they felt they had sufficient information. The rankings are given in Chairman Eaton's July 10 letter to President Magrath. These minutes focus on the discussion

* Some changes, however, were received shortly afterward from other persons who participated in the June 27 meeting.

** There is also an East Bank planning committee with representation from all units using space on the east bank campus.

points on those items which generated discussion.

Music Building. Hexter asked if the music building was the most severe building need for CLA. Morrison replied that while it is not necessarily the most severe, it is a major need and the only one which cannot be met through remodeling. Spring deplored the effect this lack of adequate facilities has on students, especially graduate students, and prospective students. In a city with a fine symphony orchestra, he said, the the facilities available at MacPhail, the University should have a music building.

Williams Arena. In the discussion of the Williams safety renovation, Morrison cautioned about the move to infuse public money into intercollegiate athletics. He also pointed out that while about half the building's use is for purposes other than intercollegiate athletics, it is only that use which necessitates the renovation. The committees assigned Williams a low ranking, but recognized that it has strong supporters elsewhere.

Sports Facilities Planning. Referring to sports facilities planning and a number of other items in both the Capital and the Biennial Request, Brasted urged the necessity of the faculty and the University looking to their basic educational philosophy. Before adding the chrome, the educational vehicle must have a sound engine and chassis. The needs must be met first. There was widespread agreement with this sentiment. Eaton said we have reached a point where we must say that some kinds of "needs" are more important than others, and she cited library improvement as one which cannot be neglected.

The amount requested for sports facilities planning, \$1,750,000, was believed to represent either 4% o4 5% of the projected total project cost, and there was no clear indication whether the figure was for planning system-wide or for the Twin Cities only. Spring said he would be reluctant to see the University start to commit itself to the eventual cost of this facility. Schletzer said, on the other hand, it is very important to provide means for student recreation. The facilities that exist are very popular and softball, for example, is scheduled until midnight. Student and faculty members agreed on the need for more information on what was included in the item, on its relationship to the Dave Winfield project to raise money from independent sources for recreational athletics (including benefits for "ghetto kids"), and the effect on student fees, which have in the past paid for nearly all recreational facilities and their maintenance.

Smaller projects. There was a consensus of approval to rank in the "high" group the smaller requests for working drawings for projects: Fraser, Appleby, Zoology, Eddy and North. Koltoff and Folwell, modest construction requests, were also ranked "high." The committees agreed on the need for more information regarding the Animal Science, Rosemount, and Green Hall working drawing requests. Blake explained that since animal sciences have advanced in recent years, and in recognition of the importance of the livestock in Minnesota economics, the campus needs good laboratories for animal physiology, etc. Agronomy and Plant Genetics has a similar need for modern labs.

Smith Hall. The estimate for this remodeling is now over \$40 million, while the estimated cost of a new building is given as \$70 million. Blake expressed skepticism that the difference for a new building was really that great. Hexter said there must be thorough consideration of whether the extra floor space to

be added by filling in the courtyard as planned is really needed. Brasted described one of the most urgent needs as smaller laboratories for the lower division courses. The enormous numbers of students in freshmen labs make them both less safe and less educationally sound than they should be.

Walter Library. There was wide agreement on the need to spend construction money here. Blake again questioned whether a new building would really be more costly than the projected \$45 million for renovation. The extended educational disruption of both remodeling and of tearing down to build anew was recognized.

IT Planning. There was general agreement that more academic planning is necessary before physical planning occurs.

Bus land development between Twin Cities campuses. This was regarded as important to faculty and students alike, and worthwhile if it could indeed save significantly on time, fuel, and duplication of course offerings between campuses.

Waseca. Al Ward of the Waseca campus alerted the SCC to the concern that the reduced appropriation request for the Mechanized Agriculture Facility is insufficient to build and furnish it and replace the Plant Services it would displace. SCC concluded it could therefore not rank the item. Ward described the Waseca campus as being four to five years behind where it needs to be in construction.

The SCC, for lack of information, made no comment upon the capital requests named on pages 3, 4, and 5 of the administration's list.

Biennial Request.

The SCC elected to follow the UCBRRB division of these request items into four groups: "Group I consists of items which are primarily 'standstill' items, at which additional appropriations are required to maintain the same level of services which we have had in past years. Group II are the highest priority new items. These are items which are central to the University's mission, and in which we already have a substantial program which will be maintained or enhanced by addition of the item. Group III consists of additional items which are of a lower, but still significant priority. These represent either new departures, or major efforts which are not central to our primary mission. Group IV includes other very attractive items which, however, seem to be of a lesser priority."

The meeting proceeded then to consider each item and assign each to the group to which it seemed to belong. (See Eaton letter to the President for the joint SCC/UCBRBR rankings.)

Brasted recommended, and those present agreed, that the SCC and UCBRRB ask the administration for a list of programs for which the state has absorbed funding from the federal government over the last decade. The sense was expressed repeatedly in the course of the prioritizing exercise that such items, which look a tantalizing bargain when they first become available, tend to hang on lengthily and heavily as part of the University's budgetary need from the state.

10% Reduction Budget. In conclusion, Morrison reported that the administration is still considering how to respond to the 10% reduction budget request from the Commissioner of Finance. He said the SCC should certainly expect to hear the President's intent on this question before September 1. Morrison repeated his cautions about the pitfalls for the University in the trading-off approach he believes the Governor intends to require. Because of the risks, he wants President Magrath to have had prior consultation with the faculty on just how "sacrificeable" the various budgetary items are.

Vice President for Finance search. The Chairman reported that the President is in the process of narrowing six candidates for this vice presidency down to two finalists. When those two visit the campus, probably later in July, the SCC (all members who are available) will be among the bodies to interview them.

The meeting adjourned at 3:10 p.m.

Respectfully submitted,

Meredith Poppele

Meredith Poppele, Secretary

UNIVERSITY OF MINNESOTA
MORRIS CAMPUS
July 3, 1980

To: Marcia Eaton

From: W. D. Spring *Don*

Subject: Draft Change

Here is my suggested revision. I, too, will find no quarrel with any changes you reject or any that you add.

Since the publication of the University's intention to file a consent decree in the Rajender case, accusations and counter-accusations have emerged both in public and in private concerning actions taken or not taken by members of the Central Administration, the Chemistry Department, or the Institute of Technology. In addition, speculations and rumors about ramifications and related problems have been aired. In an effort to lay these charges and counter-charges to rest, and in order to identify mistakes that can be avoided in the future, the Faculty Consultative Committee requests that you form a Commission of Inquiry. We do not ask you to re-try the case, but to study the trial transcript, the Consent Decree, and other materials which have circulated since the publication of the Consent Decree. Your report should describe in brief what happened in this long process and how individuals, units, or offices within the University Community could have or could not have acted differently to avoid difficulties which arose. You probably should provide an opportunity for such individuals, units, or offices to speak to the Commission. Vice President Hasselmo has promised his fullest cooperation and will give you whatever help he or his office can provide. You can count, as well, upon the full support of the Faculty Consultative Committee, to which you should report. After you have made a preliminary survey of the size and complexity of the task, you should meet with the Chair of FCC to determine a schedule for completion of your report.

WDS:dh



UNIVERSITY OF MINNESOTA
TWIN CITIES

Department of Chemistry
Kolthoff and Smith Halls
207 Pleasant Street S.E.
Minneapolis, Minnesota 55455

June 24, 1980

Chairman Richard Purple
Faculty Consultative Committee
University of Minnesota
5-255 Millard Hall

Dear Professor Purple:

Bob Brasted showed me a copy of the Draft Minutes for the May 15, 1980, Consultative Committee meeting in which the discussion of the Chemistry hiring was reported. I respond to a question raised in that report;... (and is it true that they did not immediately inform Central Administration of the appointments in the pipeline?); The facts are very simple and I give them to you so that you may set the record straight.

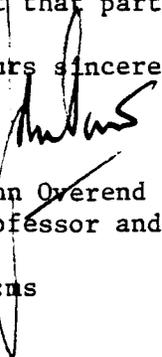
I learned of the terms of the Consent Decree from the Minneapolis Tribune on Saturday morning, April 19. I was aware that appointment documents for Livinghouse, Fristad, Barbara and Barany were being prepared by Miss Olson in the Chemistry Department since we had just established the lines in the draft of the printed budget but, I must admit, I was confident that the Consent Decree would be prospective and I did not anticipate any real problems. However, on Monday, April 21, following the appearance of the account in the Saturday Tribune I discussed the problem with Professor Swofford, the Associate Chairman of the Department, and we decided that, just to play it safe, I should make sure that Dean Staehle was aware that four appointments were coming through. That Monday afternoon I walked over to the Dean's office and talked with Dean Storvick (Dean Staehle was out of town). I told Dean Storvick that the four appointments were coming through, that I did not anticipate any problem but, just to play it safe, I believed that Academic Affairs should be notified. He agreed with me and said that he would carry the message forward.

The first inkling I had that there was any problem was at 1:30 on the afternoon of April 25. Two weeks previously, I had requested a meeting with Academic Vice Presidents Keller and Linck to discuss the future development of NMR facilities to be shared by Health Sciences, IT and CBS. To my surprise, it turned out that a number of other people had been invited, and the subject of the meeting was to consider the question of whether the four hires in Chemistry would be appointed by Central Administration.

In summary, I learned of the Consent Decree on Saturday, April 19 from the Minneapolis Tribune, I informed the Dean's office on Monday, April 21 of the

four appointments to be made and it was not until Friday, the 25th that I learned from Central Administration that difficulties could be expected. I trust this information will allow the Consultative Committee to straighten out that part of the record.

Yours sincerely,



John Overend
Professor and Chairman

JO:ms

Received 7/1/80
R.L.P.

UNIVERSITY OF MINNESOTA

Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

June 30, 1980

Professor Richard Purple
Chairman, Senate Consultative
Committee
5-255 Millard Hall

Dear Professor Purple:

This is simply to confirm the usefulness of the discussion that I and my senior associates had with you, UCBRBR, and the Senate Committee on Faculty Affairs last week. As I indicated orally, we note and concur with the basic thrust of the Senate on the faculty salary problem. I will reconsider the faculty salary recommendations of the Budget Executive, and will be submitting a recommendation to the Regents for their July meeting. You and the appropriate committees, of course, will receive this just as soon as it goes out. Despite some differences with the SCFA proposal, we will try to use, as much as possible, the rationale and arguments developed by SCFA. All members of the University community can be assured that I personally, and all members of my administrative team, concur that the faculty salary question is front and center, and that it deserves our best and most concerted effort to effect some genuine improvement and reversal of the terrible loss of purchasing power that has afflicted this and other American universities in recent years.

On other matters, we have noted the recommendation of SCC and UCBRBR with regard to the Capital Request, and I believe that I explained my position and responses adequately at our meeting. For the moment, I am keeping open the question of the Humphrey Institute site location, and we will discuss and consult on this matter with SCC and UCBRBR in the months ahead. I do not believe it is necessary to make a site recommendation on the HHH Institute building at this time, but will indicate to the Regents that this question needs to be reexamined.

We also welcome very much the judgments and recommendations of SCC and UCBRBR with regard to priorities for the Capital Request, priorities for the basic Biennial Request, and on the other major budgetary-related items, such as the so-called Minimum Budget Supplement. Dr. Borgestad from my office, in collaboration with the University Vice Presidents, will work with you and UCBRBR in developing a consultation schedule that we can follow in July -- so that the Administration can have the benefit of your views and judgments before we make our recommendations to the Regents in early August.

The issues before us are complex and difficult, and they involve the most fundamental University interests. I believe we are working openly and productively

Professor Richard Purple
June 30, 1980
Page Two

together, and feel that the outcome of this process can only be beneficial to the total University community which we all serve.

Cordially,



C. Peter Magrath
President

CPM:kb

cc: University of Minnesota Vice Presidents
Dr. James T. Borgestad, Special Assistant to the President
Professor Marcia Eaton, Chairperson-Elect, Senate Consultative
Committee
Professor Fred Morrison, Chairperson, University Committee on Biennial
Request and Budget Review
Professor W. Donald Spring, Associate Chair, Senate Consultative Committee
Professor C. Arthur Williams, Chairperson, Senate Committee on Faculty
Affairs



UNIVERSITY OF MINNESOTA

Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

July 2, 1980

CONFIDENTIAL

To: Professor Marcia Eaton, Chairperson, Senate Consultative Committee
Professor Fred Morrison, Chairperson, University Committee on
Biennial Request and Budget Review
Professor Richard Purple, 1979-80 Chairperson, Senate Consultative Committee
Professor W. Donald Spring, Associate Chairperson, Senate Consultative
Committee
Professor C. Arthur Williams, Chairperson, Senate Committee on Faculty Affairs

From: C. Peter Magrath

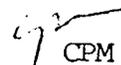
Subject: Faculty Salary Recommendations

In addition to the recent letter that I sent you summarizing my observations on the faculty salary discussion we had last week, I thought it would be appropriate for me to share the recommendation that I have decided to propose to the Regents regarding faculty salary increases for 1981-83. For your information, I will be recommending a 31 percent increase over the biennium, with a 17 percent increase in 1981-82 and a 14 percent increase in 1982-83, or an approximate \$72 million increase over the biennium.

As backup to the 1981-83 faculty salary increase, we will prepare a careful rationale documenting the inflationary and cost-of-living factors that underlie the thrust for a significant increase. This request will be aimed at addressing the urgent need for a salary increase tied to the inflationary circumstances of 1979-81, the anticipated inflation in 1981-83, and the need for some merit money for faculty increases. We are confident that we can present a strong and well-documented case underlying this most important part of our 1981-83 Biennial Request.

I will announce this recommendation at the July 11 meeting of the Board of Regents, but wanted to inform you of it in advance. In the months ahead, I and my associates in the Central Administration will also be sharing with you the strategies aimed at translating this recommendation into the paychecks of our faculty.

If you have any questions, please feel free to contact me. I do wish to express appreciation to SCFA for its work and proposals. SCFA's basic thrust is one with which we all agree, and much of its rationale and documentation will be most valuable to us in presenting our case to the State and Legislature.


CPM

CPM:djf

cc: Budget Executive
Vice President Stanley B. Kegler, Institutional Relations
Dr. James T. Borgestad, Special Assistant to the President



UNIVERSITY OF MINNESOTA

Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

July 1, 1980

To: The Honorable Charles H. Casey
The Honorable William B. Dosland
The Honorable Erwin J. Goldfine
The Honorable Lauris Krenik
The Honorable Robert Latz
The Honorable David M. Lebedoff
The Honorable Charles F. McGuiggan
The Honorable Wenda W. Moore
The Honorable Lloyd H. Peterson
The Honorable Mary T. Schertler
The Honorable Neil C. Sherburne
The Honorable Michael W. Unger

Dear Ladies and Gentlemen:

This letter concerns a variety of budgetary request issues that are currently before the Regents and the University, most (but not all) pertaining to the 1981-83 biennium. While we have made major progress on all of these fronts, there are still a number of items that we are obligated to submit to the State no later than September 30, 1980.

The first part of this letter addresses the work schedule of the Board on these matters for the summer months. In a sense, there are some procedural questions we need to resolve at our forthcoming July meeting. The foremost one is whether or not it is necessary for the Regents to meet as tentatively scheduled on August 7-8. I have reviewed this matter with Regents Moore and Latz, and we believe that it would be feasible to avoid an August meeting if we are agreed upon the procedures that must be followed. In connection with my President's Report at our next formal meeting on July 11, I will raise this question with you so that we can reach a consensus as to whether or not an August meeting is required.

First, let me recapitulate briefly what we have so far accomplished. We have approved the Biennial Request for the University for the 1981-83 biennium, but three components must still be reviewed and approved by the Board. These include the faculty salary request, the general supply and expense request, and the item related to a new approach on funding repairs, maintenance, improvements, and renovation items. You will have before you for informational discussion my recommendation on the faculty salary request at the July meeting, and I will discuss this important matter, as well as the supply and expense request, later in this letter. You already have before you the repairs and maintenance item which was distributed at our last Board meeting, and this is up for action at our July meeting.

In addition, we need to submit a number of related requests that are listed below. I will also indicate how these submissions might be handled in such a way that the Board would have maximum information before it and be able to take action in September without the necessity of an August meeting if you believe this is workable. If this were your desire, we would have to schedule a Committee of the Whole meeting for Thursday morning, September 4.

SUBMISSIONS THAT MUST BE MADE TO THE STATE BY SEPTEMBER 30

CAPITAL REQUEST MATTERS

1. The 1981-83 Capital Request

After consulting with the Vice Presidents, the Deans, and the appropriate Senate groups, I have decided to recommend a Capital Request of approximately \$100 million for the next biennium. This is essentially similar to the Request we had before the Legislature in 1980, but with some changes. A list of the specific items will be sent to you with the July Board meeting materials. Regental action could take place at our September meeting.

2. Priorities for the 1981-83 Capital Request

As in past years, we are obligated to submit a list of priorities, and I am committed to internal consultation and, of course, discussion and review with the Vice Presidents before suggesting priorities for your consideration. My suggested priorities could be submitted to you by the end of the first week of August for your consideration and action in September.

3. Six-Year Capital Plan

Since the Legislature did not approve a capital bonding bill in 1980, we must revise the Six-Year Capital Plan that we submitted in February. This revision will be accomplished in July, and we can share our recommendations with you in August for action in September. The plan will obviously reflect the previous recommendations of the Board, with the major adjustments being limited to the proposed construction years in light of the fact that many major items were not funded in 1980.

BIENNIAL REQUEST MATTERS

4. Six-Year Budget Plan

As you will recall, we encountered problems in predicting the University's capital needs for the next six years; it will be even more difficult to ascertain our programmatic and budgetary needs for the same period. We will try to make this submission as simple as possible so as to avoid unnecessary work and judgments, all of which have to be reexamined and reviewed in any event in connection with our normal Biennial Request submissions. We should, however, have a budget plan ready in late August; this can be reviewed in September. According to our latest information from the Commissioner of Finance, this Six-Year Budget Plan will not need to be submitted until sometime in the fall.

5. Priorities for the 1981-83 Biennial Request (Operation and Maintenance and State Specials)

As has been the case in the past, we are obligated to attach priorities to our basic Biennial Request. Once again, I must consult internally, and could submit to you my suggested priorities by the end of the first week in August for your consideration and action in September.

6. The Minimum Budget

As you know from previous discussions and communications, the Governor and the Commissioner of Finance have requested that all State agencies and the University submit what they are labelling a "Minimum Budget Supplement" as a contingency in case the State's fiscal situation deteriorates seriously. This request requires us (and all others) to show how we would accommodate up to a possible 10 percent reduction in our 1981-82 funding base. In a meeting that Vice President Kegler and I had with the Governor and representatives from the Commissioner of Finance office, we informed him that there were significant differences between the University and State agencies, and that we felt it was inappropriate for us to be treated as if we were a State agency. We also emphasized the serious morale problems that such a mandate could create. We noted that the University had undergone significant internal retrenchments in recent years, and that because of inflation and other factors we were operating with inadequate budgets in many cases.

Instead of submitting a list of programs and items for possible retrenchment, we indicated a willingness to make a submission demonstrating the consequences of reductions in our budget base. We are currently in the process of developing a list of the various and serious consequences that would occur if the University had to retrench its existing base by 10 percent or approximately \$22 million. Once we have completed this process and shared it with the internal consultative groups, I will be ready to present it to the Board for your reaction. This item is both sensitive and complicated. It cannot be ready for distribution before very late August for discussion and review at our September meeting. Vice President Kegler has been close to this issue, and is available for private briefings that any of you might desire.

7. Supplies, Expense, and Equipment Request

Originally, I had intended to submit a recommendation on SEE increases at our July meeting. The Governor, however, has not yet issued his guidelines on SEE increases. As soon as they are announced, I will formulate a recommendation and submit it to you. Depending upon when we receive the Governor's guidelines, my recommendation on this item could be transmitted to you by the end of the first week in August so that you can study it; it could then be acted upon at our September meeting.

1981-83 FACULTY SALARY INCREASES

Last week, I along with other senior officers participated in meetings with the Education Division of the House Appropriations Committee, the Deans, and members of three University Senate committees. In each of those meetings, I stated my conviction that faculty salary increases should be the University's number one priority in the 1981-83 Biennial Request. At the July meeting of the Board, I will be repeating that recommendation.

There are a number of compelling reasons for making faculty salaries our number one priority, and these are summarized in the testimony that I delivered before the Education Division. You should have received a copy of that testimony last week. Rather than repeating the arguments I made, let me only summarize the basic rationale that supports a substantial faculty salary increase.

First, during the last decade, faculty salaries at the University of Minnesota -- and indeed across the country -- have simply not kept pace with inflation or with the increases experienced by virtually every other sector of the labor market. At the University of Minnesota, for example, our faculty have experienced a 20 percent decline in purchasing power during the 1970s. Merely in order to be even with 1969-70 and ignoring additional tax effects, average salaries at the University should be higher in the current year by amounts ranging from \$2,886 for a nine-month instructor to \$7,324 for a twelve-month professor.

Second, the erosion of purchasing power has severe implications for faculty morale with the consequences affecting the productivity and commitment for our faculty. We also stand to lose -- and in some cases have already lost -- outstanding faculty to competitive universities that offer higher salaries. (Overall, however, I should point out that we have not lost ground to our traditional peer group in terms of faculty salaries over the last six years. What this means is that virtually all faculties across the nation are suffering the same salary erosion problem that we at the University of Minnesota are facing. At the same time, individual institutions are still competing successfully for some of our most talented faculty.)

Third, competition from the private sector for both current and potential faculty members is increasing. Not only do inadequate salaries result in the migration of existing faculty members from our campus to industry and business, but in some cases the best and the brightest graduate students are opting for the higher salaries in the private sector rather than for careers in higher education. For example, the average starting salary for an Assistant Professor in the Institute of Technology is \$20,000. However, the starting salaries in the private sector for bachelor's degree students of chemical or electrical engineering average \$21,000, with new Ph.D.s in these fields commanding starting salaries in the \$30,000 and above range.

Fourth, simple fairness and justice to a hardworking faculty in a State where the people have benefited so much from the work of that faculty compels us to make the best salary adjustment possible.

Board of Regents
July 1, 1980
Page 5

Documentation in support of these and other arguments will be presented to the Regents in July and to the State Legislature next year. It will be clearly shown that there is a compelling case for substantial faculty salary adjustments.

The critical question, of course, is what level of salary increases should we seek. One opinion was offered by the Senate Committee on Faculty Affairs (SCFA) which submitted a recommendation calling for a 43 to 49 percent increase over two years. That increase would cost the State approximately \$106 million and would be allocated according to a category system involving cost-of-living increases, unit equity, individual equity, inflation factors, and several other criteria.

I am reluctant to support the specific SCFA proposal for three reasons, although it is a useful statement of faculty salary needs and concerns. First, I believe we must present a realistic proposal, one that is perceived by both the public and Legislature to be justified and affordable. I do not think that a 49 percent increase would be regarded as realistic and, in fact, might well raise serious questions about our entire Biennial Request. Second, the SCFA proposal is quite complicated and would prove to be difficult to explain, document, and justify to legislators. Finally, the SCFA recommendation proposes that the Legislature approve specific distributions, something that has traditionally been a prerogative of the University.

Following consultation with the faculty groups, Deans, and the Budget Executive and the University Vice Presidents, I am proposing as an alternative recommendation a 17 percent increase for 1981-82 and a 14 percent increase for 1982-83. Such an increase is, in my opinion, both reasonable and justifiable; it would cost approximately \$72 million.

As backup to the 1981-83 faculty salary increase, we will prepare a careful rationale documenting the inflationary and cost-of-living factors that underlie the thrust for a significant increase. This request will be aimed at addressing the urgent need for a salary increase tied to the inflationary circumstances of 1979-81, the anticipated inflation in 1981-83, and the need for some merit money for faculty increases. We are confident that we can present a strong and well-documented case underlying this most important part of our 1981-83 Biennial Request.

I look forward to discussing the faculty salary item with you at our July meeting, as well as to resolving the procedural issues that have to do with whether or not we need an August meeting.

Cordially,



C. Peter Magrath
President

CPM:djf

cc: University Vice Presidents

Mr. Duane A. Wilson, Secretary to the Board of Regents

Dr. James T. Borgestad, Special Assistant to the President

Dr. Carol H. Pazandak, Assistant to the President

June 27, 1980

CONSULTATION SCHEDULE ON CAPITAL REQUEST MATTERS

1981-83 Capital Request
Six-Year Capital Request (revised)

- June 27 President discusses with SCC/UCBRBR his reactions to Senate committees' comments on 1981-83 Capital Request recommendations.
- July 3 President sends his 1981-83 Capital Request recommendations to the Regents.
- July 9 UCBRBR/SCC provides President priority recommendations on 1981-83 Capital Request.
- July 11 Regents review for information the President's 1981-83 Capital Request recommendations.
- July Budget Executive presents its recommendations on 1981-83 Capital Request priorities and revised Six-Year Capital Request to the President.
- July President sends his recommendations on 1981-83 Capital Request priorities and revised Six-Year Capital Request to UCBRBR and SCC.
- July President and Budget Executive meet with UCBRBR and SCC to discuss President's recommendations on:
- 1981-83 Capital Request priorities
Revised Six-Year Capital Request
(The meeting might also include a discussion of the 1981-83 Biennial Request priorities, the Minimum Budget Supplement, and the Six-Year Budget Supplement.)
- July 31 President sends his recommendations on 1981-83 Capital Request priorities and revised Six-Year Capital Request to the Regents.
- August 7 Regents take action on 1981-83 Capital Request (without priorities?)
- September 5 Regents take action on 1981-83 Capital Request priorities and revised Six-Year Capital Request.

CONSULTATION SCHEDULE ON BIENNIAL REQUEST/BUDGET MATTERS

1981-83 Biennial Request Faculty Salary Increases
 1981-83 Biennial Request Priorities
 Minimum Budget Supplement
 Six Year Budget Supplement

June 27 President discusses his recommendations on faculty salary increases with SCC, UCBRBR, and SCFA.

July 3 President sends his faculty salary recommendations to the Regents.

July 11 Regents review faculty salary recommendations for information.

July 9 UCBRBR provides President and Budget Executive its recommendations on 1981-83 Biennial Request priorities.

July Budget Executive provides the President its recommendations on
1981-83 Biennial Request priorities
Minimum Budget Supplement (items and priorities)
Six Year Budget Supplement

July President sends to SCC and UCBRBR his recommendations on
1981-83 Biennial Request priorities
Minimum Budget Supplement
Six Year Budget Supplement

July Budget Executive and President meet with UCBRBR and SCC to discuss President's recommendations on
1981-83 Biennial Request priorities
Minimum Budget Supplement
Six Year Budget Supplement
 (The 1981-83 Capital Request priorities and the revised Six Year Capital Request might also be reviewed at this meeting.)

July 31 President sends to the Regents his recommendations on
1981-83 Biennial Request priorities
Minimum Budget Supplement
Six Year Budget Supplement

August 7 Regents review for information President's recommendations on
1981-83 Biennial Request priorities
Minimum Budget Supplement
Six Year Budget Supplement

September 5 Regents take action on
1981-83 Biennial Request priorities
Minimum Budget Supplement
Six Year Budget Supplement

* SBE increases will be incorporated upon receipt of Governor's guidelines.

1981-83 BIENNIAL REQUEST AND M FUND AND SPECIAL APPROPRIATIONS
 IN PRIORITY ORDER (AMOUNTS SHOWN IN THOUSANDS
 AS INCREASES OVER 1980-81)

Unit and Request	Operations and Maintenance		Special Appropriations	
	FY82	FY83	FY82	FY83
* Academic Pay Plan				
* General Price Level				
* Fuel & Utilities	2472.70	3979.30		
1 Libraries, acquisitions	660.0	1185.0		
2 New Space Operation	1379.1	4357.8		
3 Skilled Trades Pay Plan	664.50	1408.7		
4 Transit - T/C, commuter & intra-campus	573.8	995.2		
- Duluth	179.5	219.9		
5 Purchasing Set-Aside	50.4	50.4		
6 Leased Property Costs	284.1	441.9		
7 Equipment Replacement	250.0	250.0		
8 Solid and Hazardous Waste	239.4	313.9		
9 Capitation Contingency Fund			1021.0	1394.6
10 Graduate School Research Fund			125.0	125.0
General Research Fund				
11 Medical & Cancer Research Fund			75.0	75.0
General Research Fund				
12 Dental Research/Medical Research Fund			45.0	45.0
13 Instructional Equipment	2447.2	-		

*State-Finance Department requires no ranking for these items.

Unit and Request	Operation and Maintenance		Special Appropriations	
	FY82	FY83	FY82	FY83
14 Expiring Instructional Grants/ Public Health Medical School			200.0 150.0	200.0 150.0
15 Graduate School - Replace Bush Foundation fellowships for minorities			143.0	143.0
16 Graduate Fellowships	100.0	100.0		
17 Minority/Special Students, tutoring			350.0	350.0
18 Environmental Health	39.5	39.5		
19 Student Affairs - Handicapped Student-access	51.0	51.0		
20 Veterinary Hospital	100.8	182.8		
21 Hospitals, education subsidy			1000.0	2000.0
22 Mineral Resources Research Center			300.0	500.0
23 Nursing/Medical Services & Instruction			250.0	250.0
24 Agricultural Extension Field Staff Workload Communication System Title XII			750.0 250.0 125.0	750.0 250.0 150.0
25 Minnesota Geological Survey			272.7	254.8
26 Continuing Education and Extension - Hi cost, low enrollment courses - replace income supported faculty - Micro-wave tower			518.0 70.0	518.0 -

Unit and Request	Operations and Maintenance		Special Appropriations	
	FY82	FY83	FY82	FY83
27 Sea Grant			100.0	100.0
28 Agricultural Research			1300.0	1300.0
29 Women's Intercollegiate Athletics				
Duluth			215.0	245.0
Morris			38.0	38.0
Crookston			13.0	13.0
Waseca			16.0	16.0
Twin Cities			267.0	350.0
30 Medical - Rural Physicians Associates/Medical Services & Instruction			75.0	75.0
31 Business Administration Industrial Relations Ed.			112.8	112.8
32 Health Services Research Center/ Medical Research			100.0	100.0
33 Lake Superior Basin Research			75.0	75.0
34 Business Administration Bureau of Business Research/ General Research Fund			34.0	60.4
35 Duluth - Business and Economic Research/General Research Fund			37.0	37.0
36 Veterinary Medicine - Diagnostic Lab			139.9	253.1
37 Center for Urban and Regional Affairs/General Research Fund/Councils on Health Care and Aging			94.0	94.0

Unit and Request	Operation and Maintenance		Special Appropriations	
	FY82	FY83	FY82	FY83
38 Continuing Education and Extension-Elderhostel			50.3	50.3
39 Alcohol and Other Drug Abuse Programming			100.0	100.0
<u>New Specials, Unranked</u>				
Economic Development			50.0	50.0
Environmental Pathology Lab			106.4	106.4
Immigration History Archives Center			225.0	-
International Programs, China Exchange			40.0	40.0
Minnesota Family Studies Center			208.0	169.1
Minnesota Technology Center			300.0	700.0
Plant Biomass			275.0	500.0
Project on Critical Literacy			85.0	85.0

8/6/80

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