



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee
210G Burton Hall
178 Pillsbury Drive S.E.
Minneapolis, Minnesota 55455
Telephone (612)373-3226

FACULTY CONSULTATIVE COMMITTEE MEETING
AND
DISCUSSION WITH THE PRESIDENT

April 4, 1985
10:15 - 12:30
300 Morrill Hall

Approximate
time

AGENDA

- 10:15 1. Proposal to create an extended subcommittee on faculty salaries--preliminary discussion. (See enclosed Clayton memo.)
- 10:25 2. Nominating a vice chairperson for 1985-86 Senate and Assembly. (See enclosed memo.)
- 10:30 3. Agenda for April 11 FCC-Regents dinner meeting.
- 10:35 4. Developing a stronger faculty voice; designing faculty forums.
- 10:45 5. Legislative session update. Guest: Professor Shively.

11:00

DISCUSSION WITH PRESIDENT KELLER

6. The president's items.
7. Implementation plans for recommendations in the Cohn Committee report on internal tribunals.



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MINUTES
FACULTY CONSULTATIVE COMMITTEE MEETING AND
DISCUSSION WITH THE PRESIDENT

APPROVED 4/18/85

April 4, 1985
10:20 - 12:50
300 Morrill Hall

Members present: Shirley Clark, Phyllis Freier, Joseph Latterell, Cleon Melsa, Jack Merwin (Chr.), Paul Murphy, Irwin Rubenstein, Frank Sorauf, Deon Stuthman, W. D. Sundquist.

Guests: John Aune (Daily), President Keller, Professor Shively, Vice President Vanselow.

Informal discussion on governance

Professor Freier pointed out a dilemma which is all too typical: On the one hand, issues of real and enduring academic concern (e.g., the IT library change) need to be discussed broadly before action is taken, and in some instances they are not; and on the other hand, the democratic process and committee system is characteristically slow so that some questions remain within committees for months or even a year when the administration needs to take action more promptly.

1. Report of the Chair. Professor Merwin.

- New Assembly Steering Committee and FCC/SCC members for 1985-88 are Ellen Berscheid and Richard Goldstein. They will be invited to the year's remaining meetings.

- Legislative liaison Shively will join FCC towards the end of the meeting because of a meeting with a state senator at this hour.

2. Proposal from the Faculty Affairs Committee to create an ongoing extended subcommittee on faculty salaries. (See Professor Clayton's March 15 memorandum.)

Professors Stuthman and Sundquist, who served on the 1983 ad hoc committee on distribution of salary increase monies for special purposes, spoke in favor of abandoning the yearly ad hoc approach and of getting agreement on some enduring general principles regarding salaries. An expanded subcommittee of SCFA would be appropriate.

Professor Sundquist added that a particular problem in the 1983-84 process was the piecemeal series of special adjustments that kept the issue of differential awards alive throughout the year. The salary decisions for each year need to be made at one time.

There was a consensus of opinion that the subcommittee should be established as soon as possible after the April 10 meeting of the Faculty Affairs Committee, that the chairs of SCFA and FCC should jointly appoint the subcommittee, and that the subcommittee's charge should include establishing guidelines and working with central administration in implementation.

3. Nominating a vice chairperson of the Senate and Assembly.

Traditionally the Faculty and/or Senate Consultative Committee nominates one candidate for the Senate's and Assembly's approval. The person must be a senator at the time of election. The FCC was receptive to Professor Freier's recommendation to select someone from the Medical School this year. Professor Merwin will contact the individual FCC proposed, to seek his consent.

4. Developing a stronger faculty voice; designing faculty forums.

Professors Rubenstein and Stuthman recommended the following general requirements for a successful forum:

- state the issue clearly,
- use a debate structure which leads to a useful give and take,
- conduct a straw vote to bring a sense of closure, either at the forum's end or after senators have had time to gather opinion from within their units.

All faculty should have speaking privileges in any forum. Professor Freier recommended challenging faculty to imagine themselves, as they address a question, in the position of having to make the decision for the University.

(N.b.: Attention to other FCC items was resumed at 12:35 following the discussion with the President. See page 6.)

DISCUSSION WITH PRESIDENT KELLER

President Keller and Vice President Vanselow joined the meeting at 11:00. Professor Merwin expressed to President Keller the Faculty Consultative Committee's pleasure at his election and its anticipation of doing what it could to help him move things forward.

President Keller reported that he had received numerous invitations to speak outside the University, reflecting high interest in the mission focus proposals and the presidential transition; in addition to these talks he has been a good deal at the legislature.

5. The legislative session: appropriations outlook.

The president reported that, while Governor Perpich's proposals include a substantial tax cut combined with strong support for higher education, some legislators are now competing to enact the biggest tax cut. At what presently looked to be the bottom extreme, higher education would not even receive a standstill appropriation (which would include a 5½% faculty salary increase). There are varying

"definitions" of the projected inflation rate. Recalling that the University took deep cuts a few years ago when the state faced its largest deficit, the president called it not a good sign that in a year when the state has its largest surplus, higher education is facing possible cuts. He told FCC that the University would state its case publicly when the proposed figures were released. He said the University is not in a position to go beyond its programmatic planning, and that he would not threaten to close programs. Some examples of the effects would be inability to operate the new buildings and denial of faculty salary increases.

The help of a number of groups supportive of the University is needed to talk persuasively with the powerful party caucuses. A one-page information sheet (distributed) highlighting the threat and the University's case will be sent with a more detailed cover letter to a wide constituency of supportive groups.

Dr. Vanselow told FCC it is clear that all the parties must pull together in this situation and not lobby for their separate projects.

All the while the Commitment to Focus continues to have enthusiastic legislative support.

6. The legislative session: request to retain the earned interest from the Permanent University Fund for use in endowing chairs.

President Keller reported that the prospects continue to look favorable. It appears the University will be able to use the approximately \$2.1 million per year on a one-to-one matching basis. Every chair must be matched at a one-to-one level. Central administration is discussing the first matches that might be made. The prudent yearly usable income to be assumed from each million of the fund is \$60,000.

The administration has been widely advised to provide more than one level of giving, in order to attract the maximum number and size of donations. The University is proposing three levels of position support, each of which would be drawn equally from the PUF and external matching sources:

| | |
|-------------|--------------------------------|
| \$500,000 | (\$250,000 and \$250,000) |
| \$1,000,000 | (\$500,000 and \$500,000) |
| \$2,000,000 | (\$1,000,000 and \$1,000,000). |

Departments, he said, would probably need to make some contribution as well. The positions within each level will have different titles. A one million dollar gift will endow a titled chair.

Professor Sorauf indicated his concern that three special levels would multiply the departmental problems which inevitably arise where endowed chairs exist. Professor Stuthman, on the other hand, reported support for the three-tier approach because it provides opportunity to recognize a somewhat larger proportion of the faculty.

Professor Sorauf asked whether some endowment money might be used to augment certain salaries (as is done at Wisconsin). President Keller said there might be some variety of ways in which endowment was used, as, for example, to support a visiting professor program, or for a college to move the extra funding periodically from one department to another. He mentioned that sometimes a chair is endowed subject to its being given to a particular current faculty member. The University maintains control over such use of an award, but does accept that kind of specification. Some gifts, by contrast, come quite unencumbered.

The special chairs ought to meet the University's own programmatic goals, the president said, and any college ought to have the opportunity to receive one if it can make the match. The administration is telling every college and every campus that it can be assured of at least one chair. But each must make sense in terms of the programmatic plans.

Beyond this, there may be certain, very few areas, he said, which are so important that should an opportunity occur to attract an outstanding individual, and yet the means to match were not present, the University would make an internal match with Foundation funding.

He indicated that the planning process leading to a decision on where the University ought to reserve chairs would be the same as for programmatic planning. There would be some pragmatic adjustments responding to availability of funds. Central administration is working with the deans to convert their colleges' programmatic plans into case studies for a particular chair.

The president expects it will take a two to three year capital drive to raise all the funds. Central officers see the capital fund drive as an opportunity to look at additional needs, with the drive for endowment of chairs as the nucleus drive.

Professor Sorauf inquired what would happen if the contributions do not match closely with University plans--if they are highly skewed in certain directions, or directed at many low priority areas. President Keller said he anticipated they would come out somewhere between a perfect match with programmatic plans and no connection at all. The chairs would not all go in one area, he said, but neither would be they evenly distributed across the University.

Professors Sorauf and Sundquist both pointed out that prospective donors want an assurance that their money will be a net contribution to the total resource base and not simply replace state money.

Professor Rubenstein asked what would be done if the legislature approved the Permanent University Fund use and did not approve faculty salary raises. President Keller said he recognized that a bad appropriation would present the University with the morale problem of 'haves' and 'have nots', but would regard it as even worse for the University not to take the opportunities the PUF would provide.

To what extent should faculties be involved in making recommendations at this stage?

If some faculties do not know on what basis they are to make proposals for chairs, the president said, that is because the dean has failed to explain that the unit's programmatic plans are to be the basis.

When Professor Rubenstein said the faculty in many colleges are not even at the point of being informed and invited to make recommendations, the president explained the University's dilemma. Central administration has been telling the deans that there would be a fund drive, founded on programmatic plans, dependent on the selection of the new president and on legislative action. The decision to mount a major fundraising campaign, he said, requires a sense that one can achieve the goal. The University is at that point of trying to ascertain the scope and the likelihood of success within the campaign. While deciding whether

to undertake the campaign, the University has to prevent an internal debate which would look to outsiders as though it could not determine what it wanted.

Professor Stuthman asked the president whether there would be any relationship between the new endowed positions and the Regents' professorships, or to faculty development such as in the form of short term (2-4 year) supplemental awards. The president said Regents' professorships are an internal honor and would not be affected by any new kinds of positions. He commented that he is trying to increase their stipend. There should be many elements to a comprehensive capital campaign, he continued, including funds for career development. But the eventual success requires marketing which has to be done before the formal campaign begins.

Professor Rubenstein inquired about covering the set-up costs for new scientists. The president noted that last year the University used all the centrally-retained recovered indirect costs for set-ups, as it had announced it would.

Professor Sundquist reported that Agricultural Economics had been successful in one of its two efforts to secure an endowed chair, and that he did not see internal dissension as much of a problem. Department members understand they must work hard together to have a chance of getting what they collectively want. The resentment which might arise by bringing in someone new for a new chair can be modified by good judgment.

President Keller said the administration recognizes problems can arise with endowed chairs, and that officers are talking with Universities having significant numbers of such chairs on how to minimize conflicts over them.

Selecting where the chairs will be is still open, the president said in conclusion. There is not a pre-derived plan in hand.

7. The structure of central administration.

The president told FCC he has begun to discuss the structure question with the vice presidents, and will be thinking through over the next month what central administration organization he would like. He intends to present the plan to the Regents in May. If it were agreeable to the FCC, the president said, he would arrange with the FCC chairman one or more private meetings at which he could discuss his thoughts with the committee.

Since he spoke with the Regents on March 13, he said, he has not rejected the idea of there being a vice president for agriculture, provided that other changes occur so that there is not only a set of parallel vice presidents immediately below the president. He is considering whether the Budget Executive should be continued. He is considering the relationship between the coordinate campuses and central administration. Since each of the four coordinate campuses is very different from the other in size and mission, it is both practically and educationally sound that they should have different relationships with central administration.

Asked for his thoughts on the planning vice presidency, the president replied that planning is an important staff function rather than a line function, and that for that officer to have perhaps a title other than vice president, and to

be in a special relationship to the president, could be most appropriate.

Professor Sundquist recommended recalling the debriefing sessions SCC members had had with several departing vice presidents and associate vice presidents in recent years as possibly useful for the special meeting with the president.

8. Commitment to Focus: brief informal discussion.

Professor Sorauf noted that the charge of "elitism" has been a theme in criticism of the proposal, and described that as coming down in large part to concern about minorities. In fact, he said, the University's record has been less than successful in its recruiting, preparing, and graduating of minorities. There is a series of unaddressed questions here that need attention, he said. President Keller remarked that he has been reiterating that the University must both retain access and improve quality. The fact is that fewer than 25% of students entering General College get any kind of University degree at all.

9. Searches.

Dr. Vanselow reported that, pending Regental approval of the new dean of Public Health, all the deanships in the Health Sciences will be filled.

President Keller and Dr. Vanselow left the meeting at 12:35.

10. Legislative liaison report.

Professor Shively reported that House hearings have been completed and hearings are nearing completion in the Senate; the House was expected to start allocations on April 8. The governor's recommendations on the University's capital request reduce somewhat, by using a different inflationary assumption, the dollar amount on those projects he is recommending.

The emerging position of the House Appropriations Subcommittee on Higher Education looks extremely serious (essentially a 0% increase). The consequence, he said, would mean savage cuts in what the University is doing and can offer. He urged the importance of each faculty member's getting in touch with his or her legislator.

11. Report of the Chair, continued.

Dinner meeting with the Regents will be April 11. Professor Merwin will report the FCC's agenda proposals to acting chairman McGuiggan.

FCC talked briefly about substantive subjects for that discussion: What does it mean to become a world class university? Or, in light of today's legislative reports, how can the University control and minimize damage? FCC is eager to hear what the Regents are doing and get their suggestions on what the FCC can do at this point, and to consider how the bodies can work together for the good of the University in the immediate future and over the longer haul.

The meeting was adjourned at 12:55 p.m.

Meredith Poppele,
Recorder



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March 28, 1985

President Kenneth H. Keller
202 Morrill Hall

Dear Ken:

All the Senate Consultative Committee members join me in sending you our warmest congratulations on your election as President of the University of Minnesota. SCC looks forward with pleasure to our upcoming meeting with you (April 4, 1:30 to 3:00).

There is a long list of topics of mutual interest which the Committee would enjoy discussing with you. We invite you to select the subjects from your agenda which you would find it most useful to concentrate on at that meeting. If you can let us know ahead of time, via a call from Marsha Riebe, what the topics might be, members will make an effort to reflect on them before the meeting.

Most cordially,

Jack
mp

Jack Merwin, Chair,
Senate Consultative Committee

JCM:mp

cc: Rama Murthy
Neal Vanselow
Senate Consultative Committee

373-3559 (LindH), 376-1525 (FolH), 644-8441 (h)




UNIVERSITY OF MINNESOTA
TWIN CITIES

Department of English
Lind Hall
207 Church Street S.E.
Minneapolis, Minnesota 55455
(612) 373-2595

15 March 1985

TO: Jack Merwin, Chair, Faculty Consultative

FROM: Thomas Clayton, Chair, Senate Committee on Faculty Affairs 

SUBJECT: SCFA report for newsletter and a suggestion

Attached or enclosed are (1) a draft of a report that I hope won't require too much editing from Meredith, and (2) reports from SCFA subcommittees turned in, and in some cases elaborated on, at the meeting of 13 March. As you will see from the reports, much of our work is "in progress" with the prospect of formal recommendations some way off, whether to be made to the Senate or an administrative body to be decided in due course.

The suggestion. You will recall that at the last meeting of the Facilitative Committee Deon Stuthman made a suggestion (clearly set out in the minutes) to the effect that it would be desirable to have "an extended committee of SCFA" discuss principles of salary-distribution and presumably the formula for this year's salary-increases. I've talked informally with several persons about this and it has been generally noted that attention to these matters has generally been paid piecemeal and independently by each committee concerned (or consulted, at any rate). It seems to me and I hope it seems to you a good idea for such an ad hoc committee--under whose auspices I don't personally care--that brings together persons from SCFA (and Geoff Maruyama's subcommittee), SCC, the Senate Finance Committee, and any other appropriate group to discuss these issues. Among others, Dick Goldstein (SCFA representative to the Senate Finance Committee) would be an excellent person to have aboard, whatever committee results from consultation.

Please give me a ring on this at your convenience (I am not at present at a loss for things to do, so "within the hour" is hardly necessary).



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April 15, 1985

To: SCFA Extended Subcommittee on the Principles to Govern Distribution of Faculty Salary Increase Monies:

Margery Durham
Richard Goldstein
Harvey Keynes
Geoffrey Maruyama
Frank Sorauf
C. Arthur Williams, Chair

From: Jack Merwin, ^{J.M.}Chair, Faculty Consultative Committee
Tom Clayton, ^{T.C.}Chair, Senate Committee on Faculty Affairs

The charge to the subcommittee is to

- (1) Establish principles to govern decisions regarding allocation of all faculty salary increase money, whether designated for general distribution or to meet special needs;
- (2) Advise central administration regarding the application of these principles, including particularly the distribution formula for any given year;
- (3) Report on its work to the Senate Committee on Faculty Affairs and the Faculty Consultative Committee.

We hope it will be possible for this subcommittee to arrive at a first draft of guiding principles before the legislature acts on salary allocations in mid-May.

Background:

During the current biennium the administration has used ad hoc faculty committees to advise it on distribution of a number of allocations for special salary monies. Most faculty members involved feel that the hurried and ad hoc nature of this input precluded careful thought and consultation. This dissatis-faction led to the conclusion that there is need for a subcommittee to address the underlying principles which should govern the distribution of salary increase monies and which should be applicable over a number of years.

The Board of Regents has just discussed proposed budget principles which include the following statements:

SCFA Extended Subcommittee

April 15, 1985

page 2

"The Board has affirmed its commitment to a long-range plan to restore the average faculty salary purchasing power to 1972 levels by Fall of 1991.

"Further, it shall remain the policy of the Board that salary resources shall be allocated to reward merit, to protect and enhance institutional quality and distinction, to recognize and respond to demonstrable market factors, to correct inequities and inappropriate imbalances and to reward promotions."

"The budget plan will contain minimum rates of compensation for the rank of Assistant Professor, Instructor, Research Associate, Research Fellow, Research Specialist and Teaching Specialist. If a separate appropriation is made for salary increases, the total amount of such funds appropriated for salary increases shall be used for that purpose. The distribution of funds will be left to the discretion of the collegiate and administrative units, subject to the approval of the Board and provided that such distribution is consistent with these guidelines."

If you as a subcommittee have reservations about these broad principles as a basis for the subcommittee's work, they should be made known as soon as possible and, if at all possible, before the Regents' meeting of May 9, 1985.

The University's 1985-87 biennial request to the legislature assumes a 5.4% rate of inflation and includes an Academic Salary Request for a 7% increase in each year of the biennium, and a Special Market and Retention Needs request for a 1% increase in the academic salary appropriation to be added in the first year of the biennium and incorporated into the base.

The actual appropriation, which might be considerably lower, will not be known until mid- to late May. The three pages of the University's biennial request which pertain to faculty salaries are attached for your information.

Thank you for your willingness to serve on the subcommittee to address this important area. You will be hearing shortly from Art Williams regarding a first meeting.

:mp

cc: Rama Murthy
Neal Vanselow
Rick Heydinger

Enc.

CHANGE REQUEST

Agency Program Activity

1985-87 Biennial Budget

Comparison of Changes in Real Salaries
in Various Professional Groups

ACTIVITY:
PROGRAM:
AGENCY: UNIVERSITY OF MINNESOTA

| Occupational Group | Percentage Change in Real Salaries | |
|--------------------|------------------------------------|---------|
| | 1970-80 | 1975-80 |
| Chief Accountant | +2.0 | +1.9 |
| Accountant | -3.3 | -3.0 |
| Chemist | -6.7 | -2.7 |
| Engineer | -7.4 | -4.3 |
| Attorney | -5.1 | -5.2 |
| UM Faculty | -15.5 | -7.9 |

| | | | | |
|--|-------------|-----------|-------------|-----------|
| Request Title: ACADEMIC SALARY REQUEST | | | | |
| | F.Y. 1986 | | F.Y. 1987 | |
| Agency Request | Amount | Positions | Amount | Positions |
| General Fund | \$3,061.1 * | | \$6,510.0 * | |
| Governor's Recommendation | | | | |
| Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | |
| Statutes Affected: None | | | | |

With these data as background and the realization that faculty purchasing power stood at only 83 cents on the 1973 dollar, the University set out to restore its academic salaries to their F.Y. 1973 level. In planning for this move, the University developed a strategy in which the average salary increment would exceed the inflation rate by a small amount each year so that we could meet the following objectives:

| Date | Salary Level |
|-----------|-------------------------|
| Fall 1984 | 88% of Fall 1972 level |
| Fall 1986 | 92% of Fall 1972 level |
| Fall 1988 | 96% of Fall 1972 level |
| Fall 1990 | 100% of Fall 1972 level |

STATEMENT OF REQUEST OBJECTIVES:

AS ITS TOP PRIORITY, the University is asking the state to continue to assist with the program of salary restoration begun in the 1983-85 biennium. Thus we are asking for an academic salary increase of 7% in each year of the biennium. This will allow us to grant increases at approximately the level in other Big 10 universities. To the extent that the increase exceeds the inflation rate, it will permit continuation of our salary restoration program. The total amount requested will provide a salary plan that, in the second year of the biennium, would restore academic salaries to 92% of their 1973 level. This is in keeping with the schedule outlined in the planning objective described below.

After detailed discussion and a careful review of competing University priorities through the University's planning process, this objective was assigned the number 1 priority. Thus, beginning with the 1983-85 Biennial Request, the University requested restoration of academic salary purchasing power to its F.Y. 1973 level. The Legislature responded to this initiative by appropriating a 5.0% and 5.0% increase for the 1983-85 biennium. In 1983-84 the University augmented this amount with an internal retrenchment and reallocation to salaries of 2.4 million dollars, raising the total amount available so that the increase could total 7.0%. These actions permitted the University to take the initial steps in its salary restoration program and attain the goal of 88% for Fall, 1984.

BACKGROUND:

In May, 1982, the University adopted as its number 1 planning priority the restoration of academic salaries to their 1973 level of purchasing power. With F.Y. 1983 academic salaries standing at only 83% of their 1973 purchasing power, the University recognized that it could not expect to retain its best scholars if this erosion continued. Although many professional fields lost purchasing power during the 1970's data show that University faculty suffered much greater losses than other professionals

RATIONALE:

In an era when many of our citizens have been buffeted by inflationary pressures, the restoration of purchasing power for faculty and other academic professionals is critical to the future of the University. Preliminary results from a study underway shows that between 1982-84 tenured faculty left the University at a rate which exceeded the 1980-82 rates.

* Amounts requested
in addition to inflationary allowance
(See page 11).

The salary restoration program has made significant strides in rebuilding faculty morale. When coupled with the University's aggressive program to reward merit and retain individuals who have offers from other institutions (separate change item), the State and the University are demonstrating their commitment to the continual building

AGENCY: UNIVERSITY OF MINNESOTA
 (Continuation) ACADEMIC SALARY REQUEST

1985-87 Biennial Budget

of an excellent University. No program has had more impact on faculty esprit than this program to restore faculty purchasing power. It has translated into increased energy for teaching, research, and service to the State.

| <u>F.Y. 1985 Base</u> | | <u>Increase over F.Y. 1985</u> | | | |
|-----------------------|-----------------|--------------------------------|-------------|-------------------|-------------|
| | | <u>F.Y. 1986</u> | | <u>F.Y. 1987</u> | |
| | | <u>\$</u> | <u>Pos.</u> | <u>\$</u> | <u>Pos.</u> |
| O&M | \$157,314.8 | | | | |
| Specials | <u>21,698.4</u> | | | | |
| Total | \$179,013.2 | | | | |
| O&M Fund | | \$ 12,553.7 | | \$ 25,986.2 | |
| Specials | | <u>1,731.5</u> | | <u>3,584.2</u> | |
| Subtotal | | 14,285.2 | | 29,570.4 | |
| Less: Covered in | | | | | |
| "Same Level", 5.5/7 & | | | | | |
| 11.3/14.49 | | <u>(11,224.1)</u> | | <u>(23,060.4)</u> | |
| Net Request | | \$ 3,061.1 | | \$ 6,510.0 | |

DISTRIBUTION (ESTIMATED) BY PROGRAM:

Instruction 68%, Other 32%.

CHANGE REQUEST

Agency Program Activity

1985-87 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: UNIVERSITY OF MINNESOTA

| Request Title: SPECIAL MARKET AND RETENTION NEEDS | F.Y. 1986 | | F.Y. 1987 | |
|---|-----------|-----------|-----------|-----------|
| | Amount | Positions | Amount | Positions |
| Agency Request | | | | |
| General Fund | \$2,040.7 | | \$2,183.5 | |
| Governor's Recommendation | | | | |

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST OBJECTIVES:

The University seeks an additional 1% increment in the academic salary appropriation to address special salary needs. Funds in this account are distributed to selected individuals and departments to ensure that the University can respond to changing market conditions and retain highly sought after faculty. This program is an important vehicle for implementing University priorities set through the planning process.

BACKGROUND:

To complement the University's salary restoration program, in the 1983-85 biennium a retention program was also put in place. This modest program comprised a \$500,000 allocation from the State and \$400,000 collected through central retrenchment. In F.Y. 1984 this sum of \$900,000 was subdivided into 3 funds of \$300,000 which were used in 1) cases of individual retention, 2) cases of noteworthy departmental merit, and 3) cases of demonstrated market need. Selection of departments and individuals to receive retention funds generally followed University program priorities. For example, as 1 of the colleges singled out for emphasis, the Institute of Technology received 56% of these funds. On the average, in F.Y. 1984 the 645 University faculty receiving increases from these monies had their salaries increased by \$1,100. In F.Y. 1985 this three-part program has been continued with an increase to \$950,000 from internal reallocation.

RATIONALE:

Although funds granted through this program correspond to only a 1-1 1/2% average salary increase for an individual faculty member, this program has been enormously successful. It has demonstrated to the faculty the commitment which the State and the University has for retaining its best teachers and scholars. Moreover, this program has given deans and other administrators an important tool with which the University can counter offers from other institutions for Minnesota's meritorious scholars.

| F.Y. 1985 Base | | Increase over F.Y. 1985 | | | |
|--|---------|-------------------------|------|------------|------|
| | | F.Y. 1986 | | F.Y. 1987 | |
| | | \$ | Pos. | \$ | Pos. |
| O&M | \$950.0 | | | | |
| Special Federal Private Income | | | | | |
| Total | \$950.0 | | | | |
| O&M Fund Specials Fringe Benefits Expense/Service Supplies/Materials Equipment | | \$ 1,793.3 | | \$ 1,918.8 | |
| | | 247.4 | | 264.7 | |
| Total | | \$ 2,040.7 | | \$ 2,183.5 | |

DISTRIBUTION (ESTIMATED) BY PROGRAM:

Instruction 68%, Other 32%.