



UNIVERSITY OF MINNESOTA  
TWIN CITIES

All University Senate Consultative Committee  
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## MINUTES

### Joint Meeting of the Senate Finance Committee and Senate Consultative Committee

October 27, 1981

A special meeting of the Senate Finance and Consultative Committees with Vice President Keller was convened at 1:30 p.m. on October 27 in the Regents Room of Morrill Hall. Committee members attending were Bea Anderson, Tracy Allen, Bob Brasted, Nancy Brecht, Jim Brewer, Marcia Eaton, Keith Jacobson, Walter Johnson, Stan Lehmborg, Dave Lenander, Rick Linden, Betsy Loushin, Marv Mattson, Judy Nord, Rick Purple, Irwin Rubenstein, Dennis Sargeant, Tom Scott, Pat Swan (Chair, Finance), and Kit Wiseman. Additional students present were Bruce Thorpe, MSA, Kari Sangve, UMMSA, and Dennis Krunebusch, UMWSA.

The following items were requested for the agenda:

- Cash flow
- Relationship between planning for \$10 million cut and ongoing planning of Budget Executive
- Any change in 2.16% reallocation ordered earlier by governor and directed to salaries?
- What if there is a positive vote for collective bargaining agent?
- How to proceed if required cut is \$20 million to \$30 million?
- Potential lobbying efforts by students and staff
- Civil Service pay increase plan -- what will happen to it?
- Are funds held in escrow for salary increases endangered?
- How to have ongoing discussions about priorities of values? Which values to use as parameters for evaluation, in relation to the University's mission to the state? Include consideration of mixes of people and of programs.
- How much consulting can be done in an emergency situation?
- Communication with the coordinate campuses

1. Communication with the coordinate campuses. The special meeting of Saturday, October 24, attended by the central officers, the provosts, and a few FCC members, was cited by Vice President Keller and Professor Swan for forthrightness on the part of the President and Vice Presidents, and the show of support and confidence on the part of the provosts.

2. Professor Purple: Is the present condition a "financial exigency?"

And if so, what does that mean? Vice President Keller said the administration is not prepared to make that declaration at present. It is saying instead that the cuts requested are unacceptable.

3. What has the administration done to date to prepare for the \$10 million cut it announced it could undertake if necessary? Vice President Keller explained that they looked at the \$14.2 million retrenchment of a year ago (which was actually close to \$17 million), eliminated the measures which had been done and could only be done once, such as drawing down central reserves and selling land, and arrived at \$10 million as the maximum they believed they could manage to trim again. Ms. Wiseman asked when there would be a plan on how to achieve the \$10 million.

Vice President Keller replied that the planning process with the deans is to be completed in December. The results of that, if approved and implemented, could save \$4 to \$5 million a year. Prioritizing programs and encouraging early retirement for unproductive faculty are means to savings. Vice President Keller told the deans the budget may shrink 5% over the next few years and that he wants to see a way to shift up to 10% of a budget during the next biennium. He will take genuine budget principles to the Regents in January. Crisis planning and long-range planning may come together if enough time is granted.

Professor Swan asked if the committees' consulting on the \$10 million proffered cut could occur simultaneously with consulting on the 1983-84 budget. The Vice President replied affirmatively and added his hope that part of the \$10 million would be achieved by phasing out particular programs.

Nancy Brecht asked if students can expect to pay about the same 10% increase as under the last state-ordered retrenchment. The Vice President said that level of increase couldn't be imposed by winter quarter; he also suggested the University should not try to raise much more by that means.

4. Professor Swan asked about the status of salary increases. Vice President Keller observed that the Civil Service increases are mandatory. It would appear to be illegal for the state to use the reserved funds for any purpose other than salaries. Student employees will get similar raises to those of civil service and faculty. The administration is concerned about cash flow problems.

5. How would the election of a collective bargaining agent affect the consultative process?

Bea Anderson asked whether the Twin Cities Faculty Senate would be dissolved and students would find themselves, as they do at Duluth, sitting on non-existent committees, ignored by the administration and not admitted to collective bargaining discussions. The Waseca students said their committees have access to the administration.

A general point of concern is that if collective bargaining is voted, the

administration would lose its structure for faculty consultation through the winter about the actual budget cuts. There was general agreement that the students should insist upon their right to consultation.

6. Professor Scott asked Vice President Keller to clarify the timing on specifying a \$10 million cut. Is it conceivable, he asked, that the University would be in the position of proposing certain cuts before the legislature has settled the way of meeting the revenue shortfall. Vice President Keller said that after the budget principles are adopted there will be another round of conferences with the deans to arrive at specific figures. The administration will proceed slowly. Legally the University can show a deficit on June 30, 1982.

7. Professor Rubenstein asked what has been the change in tuition relative to the rate of inflation in recent years. Vice President Keller responded that tuition has risen more slowly and that the University of Minnesota is third in tuition rates in the Big Ten.

8. What if the University is required to cut \$37 million to \$57 million over the biennium? Vice President Keller described lobbying efforts: (1) public speaking presentations the University is arranging; (2) speeding up the plan of publicizing the University's value to the state and the consequences of large cuts; (3) participating in upcoming legislative hearings, such as the Senate Education Committee. The University's objective is to persuade the legislature to change the governor's mind. But, if huge cuts are enforced, the University will have to cut a whole package of units and programs, examples of which have already been given. Vice President Keller urged that students and their parents from all over the state contact their legislators.

Ms. Wiseman asked how we can make the University stand out over and above all the other worthy but less central agencies which will also be appealing for relief. As arguments to make, Vice President Keller cited Regent Krenik's seed corn analogy as apt and impressive. Money to the University is an investment in the state, not an expenditure from the state. Swan added that as a long term investment, one can not pull dollars into and out of it.

Vice President Keller said that eventually a politically palatable combination of budget cuts and tax increases will have to be worked out. Professor Rubenstein said that the University will have to take its share of the cuts if the deficit is enormous. Keller said the University can do what is reversible.

9. Professor Rubenstein asked what collegiate units and committees can do to prepare for possible retrenchment? Vice President Keller asks people to think programatically, to prepare for programmatic change. What programs logically should and feasibly can be changed? The parameters listed in his fall letter to the University community provide the framework for the budget executive's discussions with the deans. Professor Rubenstein said the Senate Planning committee would like to see increased Senate involvement in planning, including anticipating the consequences of specific cuts. Keller noted that central administration has the staff support to carry out extensive studies, but that committees are useful to lay out the issues, to structure the questions.

Professor Swan said the committees would like the opportunity to talk with central administration before a package of proposed cuts is put forth for judgment. Vice President Keller voiced agreement. For the current social sciences study, he said, he wanted discussion with Educational Policy.

Professor Swan asked that the Finance and Consultative Committees determine what they should do separately, and that the members of each phone their chairman with specific agenda items for upcoming meetings.

Vice President Keller concluded the meeting by re-emphasizing the value of writing to legislators with the message that they benefit from the University and that weakening it would harm the state.

The meeting was adjourned at 2:50 p.m.

Respectfully submitted,

*Meredith Poppele*

Meredith Poppele  
Secretary  
Senate Consultative Committee

October 26, 1981

STATEMENT BY PRESIDENT C. PETER MAGRATH  
ON THE STATE FISCAL CRISIS  
AND THE UNIVERSITY OF MINNESOTA

After consultation with Regents Wenda Moore and Lauris Krenik, Chairman and Vice Chairman of the University of Minnesota Board of Regents, we decided to call this special meeting to address the State's fiscal crisis and its impact on the University. Before turning to the challenge before us, I suggest we reflect, calmly, for just a moment about this University and what it means to the people of our State.

The University of Minnesota is the single greatest center of creativity in our State. The students it educates, the ideas it generates, and the medical, scientific, agricultural, and economic activities it stimulates represent an enormous resource that contributes directly to the economic and intellectual and cultural life of Minnesota. A State of Minnesota without a vibrant and healthy University of Minnesota will soon be a poor State -- both in mind and in body.

Not only does the University educate tens of thousands of students of all ages, but its cultural and intellectual activities have enhanced the quality of life in every corner of this State. And more tangibly, the activity of our faculty and staff produces direct economic benefits for all Minnesotans. Here are only a few examples:

The Minnesota taxpayer benefits every time we attract private funding which is spent in the State's economy;

University faculty generate more private support -- \$40 million a year -- than does any other public university in the nation.

The Minnesota taxpayer benefits every time the University secures federal research grants and contracts; only two other public universities generate more federal research dollars than we do -- \$90 million a year.

The Minnesota taxpayer benefits every time new jobs are created; every \$100,000 in research grants we receive creates six to eight jobs -- three to four of these being outside the University itself.

In total, the Minnesota taxpayer benefits to the economic tune of some \$140 million additional federal and private dollars each year, and some 30,000 to 40,000 jobs. Virtually no other public university in the entire nation can make such claims, for few other public universities serve a more critical role in the economic health of a state.

The University, while a creator and distributor of intellectual and economic resources, is also a human place -- intricate, finely tuned, and delicate. It cannot absorb seismic shocks without its very functions being drastically impaired. What hurts and affects one part of the University hurts and affects all parts.

Our overriding concern at this moment is not with the University in a narrow institutional sense, but with the State of Minnesota -- and with what the University means to the State.

Because the State is experiencing severe fiscal difficulties, we have been asked to submit plans to the Governor showing how we will operate with cuts in our appropriated base of 8, 10, and 12 percent. Our appropriated base in the 1981-83 biennium is \$473 million. An 8 percent cut represents approximately \$37 million; a 10 percent cut represents approximately \$47 million; and a 12 percent cut represents approximately \$57 million. We have been asked to submit each documentation by October 30 so that it can be reviewed by the Governor as a basis for his further actions.

Everyone should keep in mind that State support is approximately one-third of our total budget. Stated differently, two out of every three dollars we spend come from other sources -- student tuition, federal grants and contracts, private contributions, and self-generated funds. The State's investment, in short, generates dollars that support the University and its direct and indirect contributions to the State's economy. Moreover our research activity in agriculture, science, medicine, and technology -- to mention only a few -- produces ideas and findings that add tens of millions of dollars each year to the State's economy. Is it not ironic that unprecedented cuts are being contemplated when student demand is at a peak and when we are being asked to increase our research contributions to the State's economic growth?

The University of Minnesota is very much part of the State of Minnesota. Everyone associated with the University -- students, faculty, staff, administrators, and certainly the Regents -- wishes to be helpful partners in meeting the State's challenges. You the Regents, and the University community, have not shirked your responsibilities to the State. In 1980, the University absorbed the largest single cut imposed on any State-funded operation -- in excess of \$14 million. In almost every year since I have been here, the University has accepted retrenchments of one kind or another, or reallocated resources. We are well into a careful planning effort -- and actual decisions -- aimed at reallocating internal resources so as to maximize our ability to be effective and to contribute to the State -- based on the realistic assumption that for the immediate future our State's economy and the resources available to us will be of steady state.

Essentially there are two basic choices before us. First, we can submit, in effect, a revised biennial budget projecting the cuts indicated.

Second, we can indicate that the submission of such a revised budget is fundamentally destructive to the ability of the University to function, indicating the consequences of reductions at these levels.

Upon the most careful reflection it is my judgment and recommendation to you that we cannot submit a plan for cutbacks and retrenchment at the levels we have been asked to meet. The issue is no longer belt tightening; the issue, ladies and gentlemen, is the amputation of the very arms the University uses to contribute to the State and its economy. Cutbacks in



the 8 to 12 percent range would so weaken the University that our ability to perform our mission to the State would be drastically impaired.

The impact of such reductions would also have a disastrous impact on the State's other systems of public higher education. I have conferred with their chancellors, Garry Hays of the State University System, and Phil Helland of the Community College System. They will soon be reviewing this emergency with their boards, and they concur that cuts of this magnitude would be enormously damaging to their institutions.

The University of Minnesota and its Regents have always acted as responsible citizens and custodians of the educational trust vested in them. We must try to understand the State's problem even as we affirm our absolutely critical contributions to the State. Certainly we should try to cooperate in any reasonable way. The University of Minnesota always will do the best with the resources available to it. That will be as true in the future as it has been in every decade of the University's history. If the final outcome of this fiscal crisis is that the University appropriation is diminished by \$37 to \$57 million, then we must review -- and explain -- the dire consequences, not just budgets in a theoretical sense but educational plans and activities involving tens of thousands of students and contractual obligations involving thousands of faculty and staff. Because we are well into this fiscal year and because contractual obligations must be honored, almost all of the impact would be felt in the 1982-83 year -- potentially close to one-quarter of the State's appropriation to the University.

One Regent has commented to me that, "Closing the coordinate campuses is unthinkable. It is equally unthinkable to make cuts throughout the University across the board." -- Why? Because there is no fat to cut, only marrow and bone. It is unthinkable.

My associates will outline those consequences. We are not recommending these, but indicating the destructive choices that would be thrust upon us if our appropriation was reduced between 8 to 12 percent.

Example A would be an across-the-board reduction of University expenditures. This would mean the reduction of faculty, staff, and administration by approximately 20 to 25 percent; a sharp decline in the number of students served and delays in graduation for those remaining; and additional tuition increases of 20 percent.

Example B would be the closing of University campuses and programs both outstate and in the Twin Cities. This would also lead to the termination of staff, a reduction in students served, and a tuition increase of 20 percent. You will see a list of the kinds of campus and collegiate closings and program eliminations and reductions that would have to be done. We are not recommending these as our choices for elimination; other examples totalling the same amount can be put together and are equally destructive and harmful to the State. This example, and the other two, would also require drastic reductions in administrative and support service operations.

Example C would be the closing of the direct instructional work of the University -- and as much else as possible -- for at least one quarter during the 1982-83 year.

Are there some other possible, less damaging, consequences? Some might suggest that the faculty be asked to forgo their salary increases for which they have been waiting since last July. I note that possibility only to reject it. The approximately \$29 million that might be saved would be nothing less than a form of taxation on faculty whose salaries have eroded drastically during the last decade. Such a 20 percent cut in faculty salaries would be counterproductive, leading to the departure of talented faculty to other universities and other pursuits at an incalculable loss to our State. Similarly, in theory, we could generate all of the money that may be lost by raising tuition approximately 55 percent. But that too is clearly a form of taxation on the families of 85,000 students enrolled at the University. It would go counter to every principle of public policy that has characterized Minnesota's commitment to educational opportunity.

Because the University's ability to function effectively has been so severely threatened by budgetary cutbacks, by inflation, and mid-year retrenchments in recent years, no amount of further reduction can be absorbed without devastating cost and pain. We must, however, be cognizant of the severe fiscal problem confronting the State. We could, I believe, accommodate, without irreparable program disruption, a reduction of up to \$10 million. I recommend that we indicate this.

I propose that you adopt the following resolution:

WHEREAS, the University of Minnesota has been requested to submit plans that would identify budget cuts ranging from thirty-seven to fifty-seven million dollars over the 1981-83 biennium; and

WHEREAS, the University of Minnesota's capacity to make such reductions has all but been eliminated through

- internally and externally imposed retrenchments and reallocations during nine of the past eleven years;
- an effective seventeen million dollar state imposed retrenchment in 1980; and
- a four million dollar internal retrenchment to supplement faculty and staff salaries during 1981-82; and

WHEREAS, additional cuts in the magnitude of thirty-seven to fifty-seven million dollars would require nothing less than

- the radical elimination of entire campuses, colleges, and departments;
- the termination of up to 1,000 faculty and 1,500 staff;
- the setting of enrollment limitations affecting up to 11,600 students; and/or
- the imposition of tuition increases of up to 55 percent; and

WHEREAS, the cumulative total of the retrenchments already in effect and those proposed would be in excess of 86 million dollars over the 1980-83 period;

THEREFORE, be it resolved:

- 1) The Regents find that the proposed thirty-seven to fifty-seven million dollar reduction would make it impossible for the University of Minnesota to continue serving the State as a major contributor to its economy and to its cultural and intellectual vitality;
- 2) The Regents note that they have always been mindful of the State's circumstances in their budgetary requests and other actions, and consistent with that sensitivity, indicate to the Governor and the Legislature that the University could absorb, despite a negative impact, a reduction of up to ten million dollars without totally impairing the University's ability to operate and;
- 3) The Regents acknowledge that should the proposed thirty-seven to fifty-seven million dollar reductions be forthcoming, the Regents would have no choice other than to declare a state of fiscal exigency for the entire University of Minnesota system with all the implications that such a state of crisis would impose, including the termination of faculty, staff, administrators, and students.

In short, ladies and gentlemen, I propose that we adopt this resolution; that we acknowledge the reality of the circumstances created by this fiscal situation; and that we indicate our willingness to try to contribute to its resolution without wrecking the ability of the University to operate and thereby serve the economic and other interests of the State; and that we communicate to the State the consequences and kinds of choices that the Regents would have to face if our appropriation is drastically reduced.

This is potentially the most severe fiscal crisis in the history of the University of Minnesota. As terrible as that is, my overriding concern is with the University's ability to maintain its quality and to serve the interests of the State -- something we will no longer be able to do if we sustain reductions of this magnitude.

When all is said and done, I am suggesting that all citizens and all policymakers in our State recognize that we are talking about values. We are asking what value is placed upon the University and its contributions to the State of Minnesota. For over one hundred years Minnesota has prospered because of its commitment to education and its open door policy for post-secondary education. Is this historic commitment now to be reversed?

The University is one of the greatest contributors to the welfare of our State and nation. It does not deserve special treatment or favoritism. It does need support -- clear, unequivocal, and meaningful -- because it is one of the few State-supported activities that contributes so much so directly to the economy and life of our State. This, then, means that our

State's citizens and policymakers must debate values in the weeks and months ahead. It means, too, that they must decide whether or not they wish to invest appropriate resources so that appropriate contributions can continue to be made to the economy and well-being of our State by the University of Minnesota. The issues now before us go to the fundamental values of Minnesota. Ultimately in life we pay for what we value. The time has come to decide what we value.

I urge therefore that we set our sights high; that we affirm the vital significance of this University to Minnesota; that we articulate why its preservation is essential; and that we speak, if possible, with a clear and unanimous voice.

EXAMPLE A OF CONSEQUENCES

PROPORTIONATE REDUCTIONS PROTECTING

ACADEMIC QUALITY

REDUCE NEARLY ALL BUDGETS BY 12.8% IN FISCAL 1982-83.

IMPOSE A 20% TUITION INCREASE STARTING WINTER, 1982.

MAINTAIN EXISTING STAFFING RATIOS (ABOUT 15 TO 1 FOR THE WHOLE SYSTEM, AS HIGH AS 31 TO 1 IN SOME AREAS) BY LIMITING ENROLLMENTS.

SOME CONSEQUENCES:

- . LAY OFF AT LEAST 427 FTE FACULTY.
- . LAY OFF AT LEAST 690 FTE CIVIL SERVICE EMPLOYEES.
- . TURN AWAY 6350 FTE STUDENTS INCLUDING:
  - 1820 IN COLLEGE OF LIBERAL ARTS
  - 1040 IN INSTITUTE OF TECHNOLOGY
  - 370 IN GENERAL COLLEGE
  - 360 IN SCHOOL OF MANAGEMENT
  - 70 IN VETERINARY MEDICINE
  - 950 AT DULUTH
  - 235 AT MORRIS
- . LOSE ABOUT \$9.4 MILLION IN SUPPLY AND EXPENSE BUDGETS ALREADY HARD-HIT BY INFLATION AND RETRENCHMENT.
- . INCUR UP TO \$4.3 MILLION OF UNEMPLOYMENT COMPENSATION COSTS.
- . UNANALYZED AMOUNTS OF LEGAL COSTS, PAYMENT OF ACCUMULATED LEAVE, TAX LOSSES TO THE STATE.

EXAMPLE B

SPECIFIC PROGRAMMATIC ACTIONS

|  |                      |
|--|----------------------|
| RAISE TUITION 20%:   | \$ 19.9 million      |
| COORDINATE CAMPUS PROGRAM CLOSINGS:  | 13.4 million         |
| TWIN CITIES PROGRAM CLOSINGS AND REDUCTIONS:                               | 13.5 million         |
| REDUCTIONS IN RESEARCH AND PUBLIC SERVICE:                                 | 8.2 million          |
| REDUCTIONS IN ADMINISTRATIVE AND SUPPORT UNITS:                            | <u>10.2 million</u>  |
|  | \$ 65.2 million      |
| POSSIBLE LEGAL, UNEMPLOYMENT COMPENSATION,<br>AND ACCUMULATED LEAVE COSTS: | <u>(8.4 million)</u> |
| APPROPRIATION REDUCTION TARGET   | \$ 56.8 million      |



EXAMPLE B OF CONSEQUENCES

(Examples of a Combination of Specific Actions)

| <u>Action</u>   | <u>Dollar Gain (000)</u> | <u>Loss of Students</u> | <u>Loss of Jobs</u> | <u>Other Information</u>   |   |
|---|--------------------------|-------------------------|---------------------|--|---|
| <u>Tuition Raises</u>   |                          |                         |                     |  |   |
| 1. Raise Tuition 20% above planned levels starting Winter, 1982 <sup>(1)</sup>        | \$ 19,855.1              | \$ 19,855.1             | 2,185               | 30% would raise \$29,405.2   |   |
| <u>Administrative and Support Units</u>   |                          |                         |                     |  |   |
| 2. Cut Health Sciences Support Services by 20%  | 125.0                    |                         |                     |  |   |
| 3. Cut Subsidy to Intercollegiate Athletics 67%                                       | 1,518.1                  |                         | 35                  | Possible loss of Big 10 and NCAA membership. Mainly custodial. Substantial layoffs. Reduced service. |   |
| 4. Cut Physical Plant - Twin Cities 17.5%   | 3,429.0                  |                         | 135                 |  |   |
| 5. Reduce state funds subsidy to Central Service Units                                | 1,667.4                  |                         | 10                  |  |   |
| 6. Reduce state fund support to academic Computer Center, Raise fees to outside users | 1,500.0                  |                         |                     |  |   |
| 7. Cut bulletins and publications budgets   | 600.0                    |                         |                     |  |   |
| 8. Reduce and consolidate data analysis units   | 495.7                    |                         | 12                  |  |   |
| 9. Reduce Student Services programs or raise fees                                     | 446.7                    |                         | 5                   |  |   |
| 10. Reduce support to Police, University Relations, Personnel                         | 460.0                    | 10,241.9                | 10                  |  |   |
| <u>Research and Public Service</u>  |                          |                         |                     |  |   |
| 11. Cut Agricultural Extension by 15%   | 2,089.7                  |                         | 78                  |  | Includes closure of Lambertton and Grand Rapids |
| 12. Cut Agricultural Research by 15%  | 3,205.9                  |                         | 92                  |  |   |
| 13. Cut Alcohol and Other Drug Abuse Program by 50%                                   | 262.0                    |                         |                     |  |   |
| 14. Cut CURA, all of O&M Fund, 50% of Special   | 739.1                    |                         | 20                  |  |   |
| 15. Cut Bureau of Business Research 100%  | 114.1                    |                         | 3                   |  |   |
| 16. Cut UMD Business and Economic Research 100%                                       | 43.3                     |                         | 2                   |  |   |
| 17. Cut Industrial Relations Education 50%  | 391.2                    |                         | 9                   |  |   |
| 18. Cut Geological Survey 50%   | 425.0                    |                         | 10                  |  |   |
| 19. Cut Mineral Resources Research Center 50%   | 231.3                    |                         | 11                  |  |   |
| 20. Cut Elderhostel 100%  | 37.5                     |                         | 2                   |  |   |
| 21. Close KUOM and WCTH   | 690.8                    | 8,229.9                 | 21                  |  |   |

| <u>Action</u>  | <u>Dollar Gain (000)</u> | <u>Loss of Students</u> | <u>Loss of Jobs</u>   | <u>Other Information</u>                                       |
|--|--------------------------|-------------------------|-----------------------|--|
| <u>Coordinate Campus Program Closings</u>  |                          |                         |                       |  |
| 22. Close Morris Campus  | \$ 4,740.1               | 1,690                   | 580                   |  |
| 23. Close Crookston Campus   | 3,463.2                  | 1,160                   | 375                   |  |
| 24. Close Waseca Campus  | 3,035.6                  | 1,100                   | 280                   |  |
| 25. Close Duluth Medical School  | 1,887.6                  | 96                      | 110                   |  |
| 26. Close Duluth School of Social Development  | 281.8                    | 105                     | 21                    |  |
|  | \$ 13,408.3              |                         |                       |  |
| <u>Twin Cities Program Closings and Reductions</u>                                   |                          |                         |                       |  |
| 27. Close General College  | 174.3                    | 3,416                   | 82                    |  |
| 28. Close College of Education   | 6,492.8                  | 1,951                   | 300                   |  |
| 29. Close College of Home Economics  | 403.2                    | 1,386                   | 124                   |  |
| 30. Close Library School   | 238.4                    | 68                      | 11                    |  |
| 31. Close School of Social Work  | 291.5                    | 80                      | 21                    |  |
| 32. Reduce Law School by 25%   | 562.1                    | 178                     | 19                    |  |
| 33. Cut D.D.S. first year enrollment by 33%  |                          | 50                      |                       |  |
| 34. Close Dental Hygiene Program   |                          | 131                     |                       |  |
| 35. Cut Nursing B.S. first year enrollment by 50%                                    |                          | 81                      |                       |  |
| 36. Cut M.D. first year enrollment by 21%  |                          | 49                      |                       |  |
| 37. Cut Family Practice Residency Program by 35%                                     |                          | 76                      |                       |  |
| 38. Cut Rural Physicians Associate Program by 50%                                    |                          |                         |                       |  |
| 39. Eliminate External Master's in Nursing Program                                   |                          |                         |                       |  |
|  | 5,313.0                  |                         | 189                   | Eventual enrollment loss of 1085 if first year cuts continued. |
|  | \$ 13,475.3              |                         |                       |  |
|  | \$ 65,210.5              | \$ 65,210.5             | 11,617 <sup>(2)</sup> | 2,567  |
| Allowance for unknown legal, unemployment compensation, and accumulated leave costs: | 8,411.4                  | 8,411.4                 | 19.7%                 | 19% (app.)   |
|  | \$ 56,799.1              | \$ 56,799.1             |                       |  |

(1) If units listed are closed or cut.

(2) Loss due to tuition raise duplicates losses due to program reduction.

EXAMPLE C

CONSEQUENCES OF CLOSING ALL OPTIONAL UNIVERSITY OPERATIONS

SPRING QUARTER, 1983

LAY OFF EMPLOYEES

|   |                     |
|---|---------------------|
| ESTIMATED GROSS SAVINGS:                  | \$ 103 million      |
| LESS:                                     |                     |
| ESTIMATED TUITION LOSS:                   | (20 million)        |
| ESTIMATED UNEMPLOYMENT COMPENSATION COST: | <u>(16 million)</u> |
| NET POTENTIAL SAVINGS:                    | \$ 67 million       |

BUT THE FOLLOWING ARE NOT CONSIDERED:

- . EMPLOYEES COULD CLAIM ACCUMULATED VACATION AND SICK LEAVE.
- . EMPLOYMENT CONTRACTS, WRITTEN OR IMPLIED.
- . LAWSUITS BY STUDENTS, EMPLOYEES, CLIENTS.
- . COSTS OF INTERRUPTING RESEARCH PROJECTS.
- . COSTS OF MINIMAL PROTECTION AND MAINTENANCE OF FACILITIES.
- . UNAVOIDABLE FIXED COSTS.



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AGENDA

Thursday, November 5, 1981  
12:45-1:15  
Regents Room

1. Fix agenda.
2. Minutes of October 22 (enclosed)
3. Report of the Chair (enclosed).
4. Report of the Student Chair.
5. Committee reports:
  - Finance
  - Legislative Relations
  - Grievance and Legal Concerns
6. Old Business.
7. New Business: Preparation for Conversation with the President.