Minutes[*]

Senate Committee on Finance and Planning
Tuesday, October 9, 2001
2:15 – 4:00
238A Morrill Hall

Present: Charles Speaks (chair), Prince Amattoe, Stanley Bonnema, Charles Campbell, David Chapman, Daniel Feeney, Stephen Gudeman, Wendell Johnson, Michael Korth, Elo Charity Oju, Richard Pfutzenreuter, Terry Roe, Rose Samuel, Susan Carlson Weinberg, J. Peter Zetterberg

Absent: Brittny McCarthy Barnes, Jean Bauer, Eric Kruse, Michael Volna

Guests: Sheila Warness (Asset Management); Executive Vice President Robert Bruininks

Other: Florence Funk (Office of the Executive Vice President and Provost)

[In these minutes: (1) asset and debt management and status of University investments; (2) work plans for legislative accountability riders; (3) financial trends and comparisons (much data about the University, comparisons with other top public institutions)]

1. Report on Asset and Debt Management

Professor Speaks convened the meeting at 2:20 and welcomed Ms. Sheila Warness to report on asset and debt management.

Mr. Pfutzenreuter explained that this is an annual report to the Board of Regents; a similar presentation will be made for the University's annual report both at this Committee and to the Board of Regents. Regent O'Keefe, chair of the Finance and Operations Committee of the Board, asked the administration to make the presentation a tutorial as well as a report, inasmuch as there are several new members on the Board committee. He concluded by cautioning that one must think long-term about these issues.

Ms. Warness distributed copies of 29 PowerPoint slides and walked the Committee through the contents. [These minutes will provide a brief narrative summary of the content of the slides and will not reproduce the many tables of data concerning University investments.]

-- In terms of investment oversight, Regents' policy is central. The administration implements the policy, in concert with an Investment Advisory Committee, a consultant, and the portfolio managers.

-- Domestic equity funds can be divided between "value" and "growth." In the year ending June 30, 2001, the return on Growth funds was down between 36.2% and 23.3%, depending on whether they were large cap, mid cap, or small cap. For the same year, Value funds were up anywhere from 10.3% to

[*] These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

30.8%, again depending on whether they were large cap, mid cap, or small cap. The small cap Growth funds declined the least and the small cap Value funds increased the most; performance of the large cap funds was the reverse. Across all six indices (Growth and Value, large-, mid-, and small-cap in each category) there was a 13.9% decline in value.

-- World equity indices for the year ending June 30, 2001, were almost all down. Only Mexico saw an increase. By comparison, the fixed income market benchmarks were up for the same period; domestic equity fared better than world equity markets.

-- The University manages three funds:

- -- The Consolidated Endowment Fund (CEF)
- -- Long-Term Reserves (GIP)
- -- Short-Term Reserves (TIP)

The value of CEF is down from $779.5 million in June, 2000, to $657.3 million in June, 2001, primarily due to market conditions and distributions for spending. The value of GIP is down from $57.5 million to $42.7 million, primarily due to a large withdrawal in addition to negative market returns. TIP is down from $382.2 million to $360.4 million. TIP is the University's working capital and fluctuates daily; changes in TIP say nothing about the market.

Assets related to indebtedness have declined as well, but that reflects spending for construction rather than market changes.

-- Other assets managed separately are

U of M Foundation (at $802 million, up from $790)
MN Med Foundation (at $245 million, down from $283)
RUMINCO Ltd. (no significant change)
Basic Faculty Retirement Plan (at $1840 million, down from $1984)

RUMINCO is the University's captive insurance company.

Mr. Pfutzenreuter explained that the reason the CEF is down but the Foundation funds are up is because the CEF strategy has been to invest in Growth funds more than Value and more international funds; the Foundation invests more in Value funds and less in international funds, so it is up. Across the CEF, the Foundation, and the Medical Foundation there is a good diversification across all asset classes. There is no plan at present to change investment strategies, he said. Over periods of time, Ms. Warness commented, Growth and Value funds produce about the same return.

-- In terms of comparisons with benchmarks:

- -- except for the last year, CEF returns have outperformed the benchmark
- -- GIP performance the last five years has consistently been below the benchmark
- -- TIP yields have consistently been higher than the benchmark for the last five years
- -- RUMINCO returns have been slightly below the index for five years (it has been a short-term, fixed-income portfolio, and it is difficult for an actively-managed fund of this nature to outperform its benchmark)

-- The University's outstanding debt has not changed significantly in the last year; as of June 30, 2001, it totalled $538.2 million. The interest rate on the variable rate debt (about 8% of the total debt) has declined to 2.68%, which has helped keep debt costs low. The University-issued fixed-rate debt is at 4.45%; the state-issued debt, 10% of the total, is at 5.26%. A more complete report on debt will be brought back to the Committee next month.

-- By Board of Regents' policy, the endowment fund investment objectives are (1) "to preserve the inflation-adjusted value of the fund" and (2) to "maximize total return (income plus capital appreciation") with a goal of at least 500 basis points annually above inflation" over a 3-5 year period. The second point relates to the spending policy: to retain the inflation-adjusted value and allow spending at 5.5% (the current rate), the funds need to increase more than the rate of inflation. The return on the CEF in the last year has been negative; over the last 10 years, however, there has been tremendous value added.

At one point Professor Gudeman asked about the usefulness of the distinction between international and domestic equity in an increasingly globalized world where "domestic" corporations, for example, may do as much or more business outside the U.S. as they do inside. In addition, the international equity markets are seriously affected by the strength of the U.S. dollar. Ms. Warness said these are discussions that are continually taking place; she agreed that the domestic and international markets have appeared to be more closely correlated in recent years. Ms. Warness commented that the U.S. is only a portion of the available investment universe; if one does not invest in foreign markets, it limits opportunities. She said the University fund managers are not required to hedge foreign investments against currency risk, although they may do so, at their discretion, for a portion of their portfolio.

-- The spending guidelines: endowment funds are distributed for current operations at a rate between 5 - 6% (currently 5.5) on a three-year trailing basis. There is a contingency: if at the end of any quarter the return is lower than what is necessary to protect the purchasing power of the endowment, the spending rate will be reduced at the next January 1 or July 1 by .25%, and again in the following six months, to a level of 5%. Ms. Warness speculated that such a reduction may be necessary on January 1, 2001, if returns and value continue to decline. Asked what the actual dollar amounts would be, Ms. Warness said--with the caveat that a lot of assumptions have to be made--that for 2001-02 the amounts allocated will actually be slightly higher than in the previous year by about $80,000; if there is no increase in market value, the amount of funds available for spending in the following year could decline by about $4.9 million.

Will departments be affected by the decrease, Professor Gudeman inquired? Ms. Warness said she did not know how departments budget; if they projected the same amount they had last year, they will be fine; if they projected an increase, they will be short of money.

-- Ms. Weinberg inquired about the Faculty Mortgage Program, funded through GIP; do these data increase the pressure to change the program? Will she be returning to the Committee with a proposal? Ms. Warness recalled that the Committee on Faculty Affairs had recommended that the University hire someone to help faculty find the best mortgage rate, in lieu of the Faculty Mortgage Program; that is something that is not within her bailiwick. Mr. Pfutzenreuter said the issue will be brought back to the Committee on Faculty Affairs.

Professor Speaks thanked Ms. Warness for her presentation and commented that the Committee would have to think about the material before it could raise questions.

2. Workplan for Legislative Accountability Riders

Professor Speaks now welcomed Executive Vice President Bruininks to discuss the plans for responding to the legislative accountability riders adopted last spring.

Dr. Bruininks distributed a handout summarizing the riders, who is responsible for preparing the response, and when the responses would be brought to the governance system and Board of Regents. The notations about which governance committees will be involved are suggestions; FCC is of course welcome to suggest alternatives.

One of the riders concerns long-term planning for the Academic Health Center and how the funds from the tobacco endowment will be used. That same rider also calls for the University to identify high-priority undergraduate programs (out of the approximately 200 programs at the University). The Senate Committee on Educational Policy will be the lead governance group to be consulted on this rider; it as well as the response concerning the Academic Health Center will be brought to FCC.

In response to a question, Dr. Bruininks said the University would take the riders seriously, because the legislature asked for a response and the Board of Regents will perforce take them seriously. Professor Gudeman inquired if there were any accountability for the accountability process, any cost-benefit analysis of the riders themselves. Dr. Bruininks surmised that there would be an exceedingly low benefit for the cost involved and that the University could probably spend the effort more productively. However, given that the University must respond, it will do so to the best of its ability and as accurately and completely as possible.

Another rider concerns the University of Minnesota Extension Service, something in which the legislature has a long-term interest. There is recognition that state needs are changing dramatically and a need to think about the alignment of academic programs and outreach funds across the state. The Regents are so committed to addressing issues related to outreach, including future directions for the Extension Service, that they have appointed an ad hoc committee on outreach; he has also appointed an administrative committee to take it up, Dr. Bruininks said. This one will also be brought to FCC.

One of the riders concerns coordination of post-secondary education in the state, especially in the metropolitan area. Are higher education funds being used with the most effect? The response will be discussed with FCC.

The Commission on Excellence has not begun its work; neither the House of Representatives nor the Governor has appointed representatives. Vice President Maziar will be the lead administrator responsible for working with the Commission, which also has as a member Professor W. Andrew Collins; the work of the Commission (if it ever gets going) will come to FCC.

Reports on all but the last of the riders are due in February. The University will deal with the issues to the best of its ability; where it is not ready to make a firm decision, it will likely explain why and how it will deal with remaining questions. Why, Dr. Bruininks asked, would anyone want a premature judgment about the Extension Service, undergraduate programs, or metropolitan education?

The challenge with these riders is to tell the public that the University is about more than just growing the economy, that it has broad-based activities across the state. It is unclear whether the investment in the riders will pay off this way, Dr. Bruininks concluded.

Professor Speaks thanked Dr. Bruininks for joining the Committee.

3. University Financial Trends and Comparisons

Professor Speaks now turned to Dr. Zetterberg for a presentation on the University's financial trends and comparisons.

Dr. Zetterberg distributed copies of 52 PowerPoint slides and narrated the contents for the Committee. [As with the slides on assets, this will be a narrative summary of a large number of graphs and tables of data; the text from some of the slides will be reproduced here.]

1. BACKGROUND: FINANCIAL TERMS AND COMPARISON GROUP

Dr. Zetterberg began by noting financial terms and the comparison group.

> "The University of Minnesota, Twin Cities is one of the nation's largest and most comprehensive campuses because of decisions made in the mid-19th century [that is, to combine the land-grant and research university in one institution]. It has major programmatic areas (e.g., agriculture and medicine) that many peer campuses do not have.
>
> "Reported revenue and expenditures for the Twin Cities campus include revenue and expenditures for activities that would be "system" responsibilities for many other campuses. [So the University of Minnesota Twin Cities budget includes a number of expenses that are not in the budgets of Wisconsin-Madison, Texas-Austin, and California-Berkeley, for example.]
>
> "Given the above two points, the University's revenue and expenditures are similar to the patterns of peer campuses.
>
> "Public university campuses face a common set of financial challenges and opportunities. Their future performance will be judged on the basis of how well they each respond to these challenges and opportunities."

Only about three institutions come close to being the same size as the Twin Cities campus: Ohio State, Wisconsin, and the University of Florida; most others are notably smaller in enrollment and programs.

Dr. Zetterberg explained the source of the financial information he would be presenting; the data are collected nationally and the "accounting standards for higher education institutions are quite standard across the country. It is actually easier to compare financial information than student information or HR information." There is no national definition of a "full year equivalent" student, so all student data are headcount. He also explained the terms used in comparing institutions: "Education and General" and "Other"; the latter includes such things as auxiliary enterprises, hospitals, independent operations, etc., and varies widely across campuses. "Education and General" revenue includes tuition and fees, state and local appropriations, grants and contracts, federal grants, contracts, appropriations, private gifts, grants, and contracts, endowments, and sales of educational activities. "Education and General" expenditures include instruction, research, public service, academic support, student support, institutional support, physical plant, and scholarships/fellowships.

The campuses (specifically CAMPUSES, not systems) in the comparison group are the Big Ten public universities, the other Top 30 public universities (by National Research Council ranking), as well as the University of Florida at Gainesville, Iowa State, Maryland-College Park, and Virginia. The other top 30 public research universities include California-Berkeley, California-Los Angeles, California-Santa Barbara, California-San Diego, North Carolina-Chapel Hill, SUNY-Stoney Brook, Texas-Austin, and the University of Washington.

2. INSTITUTIONAL CHARACTERISTICS: FACTORS THAT DETERMINE REVENUE AND EXPENSES

Dr. Zetterberg then explained how university campuses are organized and administered. There are university systems, where the campuses are administered by a separate system office (e.g., University of California, University of Texas, University of Wisconsin). There are multi-campus universities, universities with a "main" campus and "branch" or “coordinate” campuses, where the senior officers for the main campus are also the senior officers for the university (e.g., University of Michigan, University of Minnesota--and although the title is never used, Mark Yudof is also chancellor of the Twin Cities campus). Finally, there are single-campus universities, such as the University of Iowa and Michigan State University. These organizational arrangements affect budget comparisons, as noted previously: the University of California has a $500 million system budget; the University of Wisconsin system budget includes extension and the hospital.

Dr. Zetterberg then drew the attention of Committee members to a table that illustrates the programmatic differences between institutions.

Program	**MN**	**WI**	**Berk**	**TX**
Architecture	yes	yes	yes	yes
Biological Sci	yes	yes	yes	yes
Education	yes	yes	yes	yes
Engring/Comp Sci	yes	yes	yes	yes
Law	yes	yes	yes	yes
Liberal Arts	yes	yes	yes	yes
Management	yes	yes	yes	yes
Math/Phys Sciences	yes	yes	yes	yes
Public Affairs	yes	yes	yes	yes
Natural Res	yes	yes	yes	no
Public Health	yes	yes	yes	no
Nursing	yes	yes	no	yes
Pharmacy	yes	yes	no	yes
Agriculture	yes	yes	no	no

Human Ecology	yes	yes	no	no
Medicine	yes	yes	no	no
Vet Medicine	yes	yes	no	no
Dentistry	yes	no	no	no
System	no	yes	yes	yes

The same core programs exist in most of these institutions, but in other ways they vary dramatically. Only two campuses are directly comparable to the Twin Cities campus in terms of breadth of program: Ohio State University and the University of Florida at Gainesville.

The determining factors affecting revenues and expenditures are number of students, the presence of agriculture, a medical school, and a hospital, and all administrative costs. Having both medicine and agriculture at one campus is relatively rare and a very expensive combination. Putting together these factors, Ohio State is the largest institution in the country; Minnesota is second (followed by Florida, Michigan State, Washington, and Penn State; the smallest in this comparison group are Indiana, North Carolina, Berkeley, and Santa Barbara). Dr. Bruininks has the second worst job in the United States, Dr. Zetterberg joked; the worst is the Provost at Ohio State.

3. UNIVERSITY OF MINNESOTA FINANCES 1945-2000

If one looks at revenues by source since 1945, adjusted for inflation, the University's funding has increased significantly. Total state appropriations for the same period have tended to follow enrollment, although less so in recent years; the same is true for tuition revenue and enrollment.

If one looks at the total state appropriation as a percentage of the University's "Education and General" revenues, there have been three trend lines since 1945: the percentage declined up to the late 1960s, it increased until about 1980, and has been declining ever since. Tuition revenues as a percentage of "Education and General" revenues has slowly been increasing since the mid-1950s, up from around 10% in the late 1950s to about 15% for the last several years.

One surprising graph documents federal appropriations and grants as a percentage of "Education and General" revenues: the low point was the late 1940s, the percentage climbed steadily from less than 10% to over 30% at the time of the moon walk, and has been declining ever since. Federal funds currently account for about 20% of the "Education and General" revenues, a percentage that has been fairly stable for the last decade.

One place there has been a significant upward trend has been in the percentage of the "Education and General" revenues represented by private gifts and contracts: it has increased from about 5% of these revenues in the late 1940s to about 15% in the last few years. This is because of an increase in giving and an increase in grants from private industry.

Sales and service of educational activities (e.g., non-credit instruction, workshops, the veterinary teaching hospital and dental clinics) as percentage of "Education and General" revenues has fluctuated around 10% for about 40 years. Endowment income has declined steadily since the mid-1950s; it now stands at about 1% of the total.

4. COMPARISON INFORMATION: PROGRAMMATIC

Institutions differ in the role they play within the state. The following table illustrates one aspect of those differences: the percentage of bachelor's degrees from the campus as percentage of the state-wide total number of bachelor's degrees (public and private).

Washington	27.2
Maryland	23.5
Iowa State	23.0
Minnesota	21.0
Wisconsin	20.3
Iowa	18.3
Purdue	16.6
Indiana	16.5
Mich State	14.1
Ohio State	13.6
Florida	13.1
Penn State	12.4
Michigan	12.2
Illinois	11.7
N Carolina	11.0
Virginia	10.1
Texas	10.1
Berkeley	5.2
UCLA	5.1
UCSB	3.8
UCSD	3.0
SUNY SB	2.5

One could argue, Dr. Zetterberg said, that the University of Minnesota is more important to the State of Minnesota than UCLA is to the State of California, even though both are fine academic institutions.

Another way to measure the role the institution plays in the state is to look at the doctoral degrees the campus awards as a percentage of the state-wide total doctoral degrees granted, public and private (middle omitted).

Wisconsin	82.1
Minnesota	73.7
Washington	71.7
Iowa	53.2
Maryland	50.5
. . . .	
Florida	24.8
Penn State	22.8
Berkeley	15.1

UCLA	12.0
SUNY SB	6.1
UCSD	5.1
UCSB	4.3

The same graph was presented for federal research funds as a percentage of the state-wide total, public and private:

Minnesota	83.5
Wisconsin	77.8
Washington	66.6
Michigan	42.3
Iowa	37.5
Florida	37.3
Purdue	28.6
Illinois	24.0
Ohio State	24.0
Virginia	23.3
Iowa State	21.4
N Carolina	19.4
Penn State	19.1
Mich State	17.3
Texas	14.3
Indiana	13.8
Maryland	13.3
UCLA	9.7
UCSD	9.3
Berkeley	8.8
SUNY SB	5.2
UCSB	2.5

In terms of total undergraduate enrollment (headcount), the Twin Cities campus is third in the country (data from Fall, 1999).

Texas	49,009
Ohio State	48,003
Minnesota	45,361
Florida	43,382
Mich State	43,038
Penn State	40,658
Wisconsin	40,099
. . . .	
N Carolina	24,652
Virginia	22,433
UCSB	20,056
UCSD	19,894
SUNY SB	19,139

Another way to measure how comprehensive an institution is is by looking at graduate and professional degrees as a percentage of the total degrees awarded by the institution. The data are from 2000.

Minnesota	45.8
N Carolina	44.7
SUNY SB	42.0
Michigan	41.9
Virginia	40.9
Iowa	35.9
Wisconsin	35.0
UCLA	34.5
Ohio State	33.8
. . . .	
Iowa State	21.3
UCSD	19.1
Penn State	15.8
UCSB	13.6

Another measure on which to compare institutions is the number of tenured and tenure-track faculty (for 1999-2000):

Ohio State	2596
Florida	2307
Michigan	2208
Minnesota	2144
Wisconsin	1866
Illinois	1836
Mich State	1778
Texas	1680
Penn State	1672
N Carolina	1655
Purdue	1591
UCLA	1594
Washington	1528
Iowa	1415
Maryland	1408
Virginia	1340
Berkeley	1301
Iowa State	1214
Indiana	1065
UCSD	847
SUNY SB	821
UCSB	687

5. COMPARISON INFORMATION: REVENUE

The 1998-99 total revenues of the comparison group are as follows (in millions of dollars):

Michigan	2765
UCLA	2499
Washington	1832
Ohio State	1790
Minnesota	1574
UCSD	1347
Wisconsin	1347
Iowa	1283
N Carolina	1215
Berkeley	1204
. . . .	
Indiana	949
SUNY SB	904
Purdue	864
Maryland	849
Iowa State	659
UCSB	437

What is interesting about this list, Dr. Zetterberg told the Committee, is that Minnesota is fifth on the list even without a hospital. The Michigan total includes $850 million in hospital revenues; the other top schools on the list also have a hospital. With some minor jockeying around in the ranks, the institutions rank similarly in "Education and General" revenues.

In a graph impossible to reproduce in minutes, Dr. Zetterberg illustrated the differences in sources of funding for the comparison group schools. Ranked by percentage of the "Education and General" revenues received from a state appropriation, Florida ranked first (at about 40%) and Minnesota ranked 7th (at about 35-36%, behind Iowa State, SUNY SB, UCSB, North Carolina, and Michigan State); last were Penn State, Virginia, Washington, and Michigan, which rely on state appropriations for about 21-22% of their budgets.

6. COMPARISON INFORMATION: EXPENDITURES

For 1998-99 expenditures on teaching, research, and public service--the "Education and General" category, roughly--Minnesota ranked second (amounts in millions of dollars):

UCLA	1555
Minnesota	1495
Michigan	1482
Washington	1241
Wisconsin	1219
Berkeley	1106
Ohio State	1105
. . . .	

Virginia	575
Indiana	572
Iowa State	539
SUNY SB	467
UCSB	374

In terms of ranking by "Education and General" expenditures on instruction, Minnesota ranks 20th of the 22 institutions. The reason is that Minnesota spends more on public service than almost any other institution and because it spends more on its physical plant than most institutions.

Salaries and fringe benefits as a percentage of total "Education and General" expenditures is about the same for all of the institutions. UCLA and Virginia spend slightly more than the rest; Indiana, Michigan, and SUNY SB spend slightly less. Most spend 48-52%.

7. COMPARISON INFORMATION: RATIOS AND MEASURES

It is dangerous but natural to ask about expenditures per head count student, Dr. Zetterberg commented; ideally, one would want full-year-equivalent student data but those do not exist. If they did exist, he speculated, these amounts would probably be much more similar across institutions. The data which follow include graduate/professional students, part-time students, and so on; the amounts are dollars per student.

N Carolina	16,683
UCLA	16,622
UCSD	12,503
Michigan	10,789
Washington	10,622
Berkeley	10,090
Ohio State	9,426
Minnesota	8,890
SUNY SB	8,717
Florida	8,436
. . . .	
Texas	6,236
Penn State	6,227
Iowa State	5,644

Another measure of expenditure is cost of instruction per degree granted. The schools at the top of the list award expensive degrees; when a high percentage of the degrees granted are graduate or professional, a high cost-per-degree is not surprising. (1998-99)

N Carolina	67,172
UCLA	63,650
UCSD	57,025
Minnesota	44,776
SUNY SB	42,612

Ohio State	42,368
Michigan	42,347
Washington	41,584
Iowa	37,689
. . . .	
Texas	26,479
Illinois	25,692
UCSB	24,507
Penn State	23,558

1998-99 expenditures for research per tenured/tenure-track faculty member were as follows:

UCSD	408,405
Washington	261,997
Wisconsin	236,057
Berkeley	222,331
UCLA	222,186
Michigan	176,131
Penn State	163,225
Minnesota	153,234
Maryland	146,213
. . . .	
Iowa	101,218
Mich State	90,004
Ohio State	82,265
Purdue	74,646
Indiana	52,406

Expenditures for public service per tenured/tenure-track faculty member were as follows (1998-99):

Mich State	67,842
Minnesota	65,934
Illinois	62.472
Iowa State	53,401
N Carolina	52,001
Purdue	48,761
Wisconsin	42,957
Iowa	40,455
Florida	37,036
. . . .	
Washington	9,416
UCSD	8,238
SUNY SB	5,804
UCSB	5,246

Total gifts, grants, and contracts per tenured/tenure-track faculty member were as follows (1998-99):

UCSD	516,496
Washington	397,988
UCLA	334,609
Berkeley	314,342
Wisconsin	267,084
Michigan	247,037
N Carolina	238,373
Minnesota	230,242
Illinois	199,308
. . . .	
Florida	112,449
Purdue	112,061
Iowa State	102,434
Indiana	88,653

8. PRIVATE UNIVERSITY FUNDING

Dr. Zetterberg presented a graph illustrating how four private institutions (Stanford, Princeton, Harvard, and Northwestern) are funded compared to the University of Minnesota. The percentage by source varies considerably among private institutions, but they all rely on an endowment more than virtually all public institutions other than Texas.

9. TWIN CITIES COLLEGE FINANCES

Dr. Zetterberg presented another graph illustrating the funding sources by Twin Cities campus colleges. The sources vary widely. The Medical School, the Institute of Technology, and the College of Liberal Arts (the size of the budgets rank in that order) account for 60% of the total Twin Cities campus revenue.

In terms of which units are most heavily reliant on the state appropriation, the most dependent colleges are Duluth Medicine, Nursing, Continuing Education, Dentistry, Architecture, Biological Sciences, and Liberal Arts. Least reliant (from least upwards) are Public Health, the Medical School, the Humphrey Institute, Agriculture, and Education.

10. WHAT DOES THE FUTURE HOLD?

Dr. Zetterberg presented information about revenue by major source. There was little speculation on what the future might hold.

Professor Speaks thanked Dr. Zetterberg for his presentation and adjourned the meeting at 4:20.

-- Gary Engstrand

University of Minnesota