Minutes*

Faculty Consultative Committee
Thursday, June 28, 2001
1:00 – 3:00
238A Morrill Hall

Present: Fred Morrison (chair), Wilbert Ahern, Arthur Erdman, Dan Feeney, Richard Goldstein, Marti Hope Gonzales, Judith Martin, Charles Speaks, Billie Wahlstrom

Regrets: Muriel Bebeau, Linda Brady, Susan Brorson, Les Drewes, David Hamilton, Candace Kruttschnitt, Marvin Marshak, Joseph Massey, V. Rama Murthy, Paula Rabinowitz, Jeff Ratliff-Crain

Absent: none for a summer meeting

Guests: Professor Laura Cooper (Grievance Advisory Committee); President Mark Yudof, Associate Vice President Richard Pfutzenreuter

Other: Elizabeth Wroblewski (Office of the Chief of Staff); Rick Moore (Institutional Relations)

[In these minutes: (1) grievance policy and emerti faculty, Supreme Court case, the University's budget; (2) nominations]

1. Discussion with President Yudof

Professor Morrison convened the meeting at 1:05 and welcomed the President and Mr. Pfutzenreuter. He turned first, however, to the President for discussion of proposed language in the grievance policy as it affects emeriti faculty.

After discussion of the proposal with the Committee and with Professor Cooper, the President said he would withdraw the proposal and take the matter under further advisement, inasmuch as the proposed language appeared not to have embodied the intent of the agreement that he had earlier reached with the faculty.

In response to a question, the President also explained briefly the case that is going from the University to the United States Supreme Court. The subject of the litigation is age discrimination; the issue before the Supreme Court, however, is a technical matter related to the interplay between federal and state court jurisdiction.

The Committee then reviewed with the President copies of the slides that had been presented to the Board of Regents concerning the budget. The President highlighted some of the points he had made with the Regents:

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-- In 1982, students paid approximately one-third of the costs of instruction; by 2002, they will pay about two-thirds.

-- With projected increases at the various schools, Minnesota's tuition will rank 5th in the Big Ten among the 10 public institutions.

-- Students at the Twin Cities campus have about the same parental income levels as students at other public universities and 4-year private colleges; their family income is slightly less than that of students at private research universities.

-- The percentage of Pell Grant recipients at the University is about the same as the percentage at MnSCU schools and Minnesota's private colleges.

-- Tuition increases for most students in 2001-02 will be offset by changes in financial aid and tax laws (if their family income is less than $130,000); for 2002-03, increases will be offset only for students receiving need-based aid (generally, students with a family income of greater than $50,000 will see tuition increases) and will be entirely offset for the neediest students. The President joked that all 18-year-olds, however, will need a tax attorney to figure out how to be sure they obtain the tax advantages.

-- The two-year investment plan will be comprised of three components:

$111 million	new state appropriations
$111 million	increased tuition/fee revenue
$103 million	cost savings and other resources

The third item on the list includes eliminating or reducing plans and a $30 million cut.

-- The tuition increases will be $75 per semester plus a 10.2% increase (total of 13.3%) next year and $150 per semester plus an 11.25% increase (total of 13.6%) the following year.

-- All salaries will be increased by 3%. Faculty salaries will be increased an additional 2% in 2001-02 and an additional 3% in 2002-03 (so faculty salary increases next year will be 5% and the following year 6%). There will also be, for employees working 75%-time or more, a minimum compensation level of $12 per hour. The salary increase funds each year, the President clarified, must be spent on INCREASES in that fiscal year, not used to hire new faculty.

-- There will be increased funding in service to students (undergraduate experience, the libraries, student support services, and academic technology, including classrooms); there will also be increased academic investments in the Academic Health Center, in computer science on all campuses, in nanotechnology, in agriculture/natural resources/rural vitality, and in the compact pool. There will also be increased facilities costs and other institutional requirements.

The increased central resources, from an increase in the Internal Revenue Sharing tax and the new University fee (the $75/$150 students must pay) will create "winners" and "losers," the President said, but he has tried to balance the impact across colleges.

The budget document is thick, the President observed, and might be reviewed by the Committee on Finance and Planning before the second week in July. Professor Morrison commented that the proposed compensation plan is meeting needs better than it was feared but not as well as one would have hoped, new initiatives are severely limited, and students will not feel the tuition increases until the second year of the biennium. Professor Speaks said the Finance and Planning Committee would not meet again to discuss the budget; he said he felt the President had made good compromises and with a number of Committee members out of town it would be difficult to hold another meeting.

The President suggested that the Committee might wish to look at the second-year budget, which is not firmly cast. The two budgets do fit together, however, and there will be trouble if there are big changes made in it.

The President also observed that it will be necessary to look at the budget in two years. There are long-term winners and losers in the current structure and there will have to be thought given to cross-subsidies. Students, for example, should not pay for extension activities; any unit that does not generate significant tuition revenues will be in trouble because the system is now geared to IT, CLA, etc. Professor Morrison said there is a two-year breathing space to address the distribution of funds; the budget plan presented today will work for two years but it will not work for six years. The President agreed and said that changes should be made gradually over time.

Professor Morrison thanked the President for joining the meeting.

2. Nominations

Professor Morrison noted that the Committee had two other items of business: identifying names of faculty who would be asked to serve on the (1) new Benefits Advisory Committee and (2) the new Nominating Committee (which nominates Twin Cities members to the Committee on Committees and to the Faculty Consultative Committee). The Committee developed a slate of prospective candidates for both committees.

Committee members thanked Professor Morrison for his service as chair of the Committee at the close of this, his last meeting. He said it had been fun.

Professor Morrison adjourned the meeting at 2:40.

-- Gary Engstrand

University of Minnesota