

Minutes*

**Senate Finance Committee
April 15, 1988**

Present: Shirley Clark (chair), John Clark, David Hamilton, Sally Jorgensen, Gerald Klement, Cleon Melsa, Tom Scott, Mark Umland, Walter Weyhmann

Guests: Roger Benjamin, Mary Bilek, Carol Campbell, Charles Campbell,
Gary Engstrand

Professor Shirley Clark explained that this meeting was called hastily in order for the committee to respond to recommendations proposed by the administration to the Board of Regents in the two letters that were sent on April 6 and on April 7. These letters were on the topics of budget principles for next year and the spending of the reserves.

I. Fund Needs

Mary Bilek distributed four handouts that she prepared, including charts and notes describing soft fund needs and future commitments, in order to familiarize the committee with these items. Ms. Bilek began with the chart labelled "Fund Needs." The purpose, she said, was to demonstrate that we do not have an uncommitted \$70 million in central reserves. Two of the major factors are comparable worth increases and the gift matches. The comparable worth item is not being funded now but will be legally required in the next two years. The gift matches were solicited with the assumption that there would be funds available to match the gifts, but if all these gifts are made there might not be enough money to match them.

Provost Benjamin said that he intends to consult with Roger Paschke and others to determine how much income can be expected for the items in column B. He suspects that the figure of \$7.5 million is probably conservative but that it is difficult to estimate since it is a function of what occurs in the stock market. The items listed in this column are those which are being softly funded now but that need to be hardened.

Professor Scott warned that making this kind of estimate is problematic. He speculated that if the estimate is too high then the University would come up short, so it is probably wiser to estimate low. A strategy needs to be developed so that any surpluses that become available can be converted to some valid fund. The legislature has us on a shorter leash if we are caught in a cycle of estimating too low one year and too high the next. He observed that the state is in the same predicament. Their

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dilemma is whether to develop a "rainy day fund" or cut taxes in the event of a surplus.

Provost Benjamin and Mary Bilek explained that the items in column C were priorities from the Academic Priorities and Plan for Focus documents. Some of these items are already partially funded. This entire chart represents the goal that the administration would like to meet by 1993. The committee called attention to the following items.

- Gift Matches The art museum has not as of yet received any gift. Provost Benjamin said that he does not see how we can go forward with this. There have been no matching funds for a music auditorium.
- The Supercomputer Provost Benjamin stated that he would like to put off this whole issue.
- Agriculture Experiment Station This is for the multi-disciplinary funding of the St. Paul experiment station. The \$1.5 million is on top of \$25 million already allotted. There is still debate over the direction of this program.
- Undergraduate Advising The \$1 million in column C is for FASE personnel. The \$500,000 in column D is for software development.
- Management Information System This is an IBM grant match to the School of Management.
- New Space Operating Cost This is not being funded now but needs to be funded "hard."

II. "Soft89"

The "Soft89" chart was developed from the proposals in the April 7 letter to the Board of Regents. This chart shows soft monies transferred for fiscal year 87 as well as allocations made for fiscal year 88 and proposed allocations for fiscal year 89. Mary Bilek discussed each item on the Soft89 supplementary notes. The committee made the following suggestions.

- Academic Computing That items 10 and 11 be separated in the notes.
- Bar Coding This item needs to be clarified since it appears that the completion of the bar coding will receive all of the money. The \$1.6 million is coming from ICR monies. Professor Weyhmann commented that he preferred "having the books there" over "knowing where they are" - in other words, put money into acquisitions before bar coding.
- Undergraduate Advising This item should be renamed since it actually refers to the advising of prospective students who are in high school. One possibility would be "pre-collegiate" advising.

--Duluth and Duluth Scholarship The use of the word "salaries" in the notes is misleading. It does not refer to faculty salaries but rather salaries for TA's or temporary instructors.

There were several items that Provost Benjamin referred to as "judgment calls" where a choice had to be made among many worthy needs. One of these is the Pharmacy unit, which Provost Benjamin said is a strong program that needs some relief. Another is the Writing across Curriculum program which was matched by Deluxe Check-- the University matches this gift as it comes in. The Duluth, Morris and Waseca campuses were also given money for their various needs. Of this he said that we have a "moral obligation" to help them out.

Professor Scott asked about student enrollment at the Morris campus. Provost Benjamin said that they are currently at 1,750 but that there has been a huge increase in applicants. Central administration cut them off at two thousand with a lot of resistance. Duluth, on the other hand, is under-enrolled.

Professor Campbell asked about the proposed allocation for the University Relations Office. He wondered where the money for this increase would come from and whether or not some personnel changes might be more appropriate at this point. Provost Benjamin said that personnel changes are currently being discussed. Personnel changes are also being discussed in Student Services which is operating at a deficit.

It was noted that the equipment needs in CBS and IT will probably be met with soft funding.

Professor Shirley Clark asked if publishers have been approached about the high costs of maintaining journal subscriptions. Professor Hamilton responded that he has talked with publishers and they are actually trying to get more money from universities, particularly foreign publications because the public does not bear part of the cost.

Mary Bilek said that she sees a primary issue in sorting out soft and hard funding. She advocates a fixed budget rather than each unit making requests every year.

Provost Benjamin summarized his perspective by saying that the sky is not falling and that he is not pessimistic about reaching this plan. He thanked the committee for the suggestions which will be taken into consideration in the development of the proposal to the Board of Regents.

Respectfully Submitted,

Kelly Craigmile