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TO: Interested Faculty, Staff & Students

FROM: Academic Health Center Finance & Planning Committee (AHC F & P)

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RE: Financial Comparisons Report

In a time of tightening budgets and increasingly complex higher education financing, the AHC F & P thought it worthwhile to compare the financing of the AHC with that of the rest of the Twin Cities Campus of the University of Minnesota (U-MN). This task was begun to provide a factual perspective on the effects of the 2001-2003 biennial budget request/results, the Institutional Revenue Sharing (IRS) and Enterprise Taxes, tuition as a solution to financial shortfalls, and 5 years of Incentives for Managed Growth (IMG) on these groups of academic units. In addition, based on discussions among the AHC F & P members and their U-MN colleagues as well as on inquiries directed at AHC F & P members, it was apparent that few had a perspective on the relative financial magnitude of the AHC as an academic unit compared to the rest of the Twin Cities academic units. Data contained herein are from a variety of databases. The source of the data in each of the attached graphs, charts or tables is specified therein.

The attached report discusses the following points:

- Comparison of broad category revenue sources (e.g. clinic/practice income, operation and maintenance [O & M, State of Minnesota] funding, tuition, endowments and gifts, indirect cost recovery [ICR] from grants, state special appropriations, etc.), and expenditures (e.g. salaries, fringe benefits, general operating costs) among Twin City academic units.
- Trends in tenured/tenure track, temporary, and contract faculty numbers across Twin City academic units.
- The revenues generated and the costs incurred in the delivery of the educational experience (lecture, laboratory, field experience, clinical experience, etc.) by the Twin City academic units.
- The relative space allocation among the Twin City academic units with regard to assigned square footage for instruction, research, academic administration, and other uses.
- The diversification of income stream risk across the Twin City academic units specifically including a comparison of what revenues support faculty salaries.
- The relative contribution to the institutional "common goods" based on comparisons of revenues provided to Central Administration through ICR, and assessments on external sales, O & M, tuition etc. by the Twin City academic units.

This information is intended to serve as a backdrop to future discussions on a) central administrative assessments on the various academic units, b) the distribution of and taxing of tuition under the evolving IMG revenue model, and c) the relative role of nontuition revenue sources among the academic units as affected by IMG model adjustments and imposed taxes. The U-MN is a complex institution that has evolved as a product of the education, research and service demands placed upon it and the ever-changing financial influences it continually faces. This report was also intended to provide interested parties with insight on how creative some of the Twin City academic units have been in funding their academic and service missions with less than full support from either U-MN Central Administration or the State of Minnesota.

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[Go to Financial Comparisons Report](#)