



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee
N307 Elliott Hall
75 East River Road
Minneapolis, Minnesota 55455
Telephone: (612)626-1850

FACULTY CONSULTATIVE COMMITTEE MEETING
AND
DISCUSSION WITH PRESIDENT KELLER

September 25, 1986
10:15 - 12:00
300 Morrill Hall

AGENDA

For Discussion:

- | <u>Approx. time</u> | |
|---------------------|---|
| 10:15 | 1. Minutes of September 18 (to be sent separately). |
| | 2. Our reactions to the Report of the Special Senate Committee on Governance (for possible inclusion in external review team charge letter). |
| 10:30 | 3. Any carry-over business from September 18 meeting, and new business. |
| 10:45 | 4. <u>DISCUSSION WITH THE PRESIDENT.</u> |
| | a. The president's items. |
| 10:55 | b. The Faculty Development Committee. |
| 11:10 | c. Citizens League Report on Commitment to Focus. |
| 11:30 | d. Reorganization plans for central administration. |
| 11:45 | e. Timetable for reporting to the Regents the Senate's May 5 vote recommending a Regental change in the policy concerning indirect cost recovery. |

For Information:

1. Shirley Clark has agreed to chair, and Mark Brenner and Chuck Campbell to serve on, the FCC subcommittee for nominations.



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MINUTES

APPROVED 10/2/96

FACULTY CONSULTATIVE COMMITTEE MEETING
AND
DISCUSSION WITH PRESIDENT KELLER

September 25, 1986
10:20 - 12:15
300 Morrill Hall

Members present: Ellen Berscheid (Chair), Mark Brenner, Shirley Clark, Richard Goldstein, Cleon Melsa, Paul Murphy, Ronald Phillips, W. Phillips Shively.

Guests: President Kenneth Keller, Professor David Hamilton (Chair, Senate Committee on Research), Marsha Riebe.

1. Announcements. Next FCC meeting: October 2, 12:00 - 3:00.
2. Corrections to minutes of September 18. The names of two proposed outside governance reviewers (page 3) were corrected to Martin Trow and Winton Solberg. The minutes were then tentatively approved; any further corrections should be reported to the SCC office by Monday, September 29.
3. Continuing business from meeting of September 18.

A. Distribution of Interim Report of the Special Committee on Minority Programs in Support of Commitment to Focus (Professor John Taborn, Chair).

Professor Berscheid asked FCC to identify the groups which, in addition to the president, SCC, and the Coordinating Committee, should receive copies of the Taborn Committee's interim report and be asked to comment on the recommendations. (Interim report is due out in early October.) FCC members named the Committees on Faculty Affairs, Equal Employment Opportunity for Women, and Educational Policy. Members further suggested FCC might wish to ask the Special Committee to consult regularly with Athletics Department and General College personnel. FCC suggested that in addition the Special Committee be asked to make a special effort to identify and communicate with the University's minority students, perhaps via the Office of Minority and Special Student Affairs (OMSSA).

The FCC also recommended that the interim report be the basis of a Senate forum as was the case last winter and spring for the C_tF proposals on Preparation Requirements and on Coordinating Twin Cities Lower Division Education.

Professor Berscheid will send FCC's recommendations to Professor Taborn and point out that the date for a forum should be November 6, when the Senate holds its Fall Quarter meeting.

B. Anticipating FCC's October 2 discussion with Vice President Benjamin.

Professor Berscheid asked that those talks be limited to the subject of the University's academic planning structure, on which the FCC understands central administration wishes to move very rapidly. Professor Berscheid has sent to Vice President Benjamin the portion of the bylaws describing the Senate Finance Committee's duties and responsibilities, which have relevance for this subject.

C. Governance Report, External Reviewers.

FCC considered how it should comment to the external reviewers on the report of the SCC's Special Senate Committee on Governance, which SCC received but has not approved.

Professor Clark said that the SCC cannot approve the report without being ready to commit itself to the implementation of its recommendations but that FCC and SCC should not rush into accepting them without a full opportunity to debate them because there is a wide variety of suggestions which include assignments for many committees of the Senate. She favored waiting to distribute the self-study report until it can be sent to Senate committees together with the report which will come from the external reviewers.

Professor Murphy pointed out that because it will be tough for the outside reviewers to ferret out in a two-day visit all the information they will need, the materials sent to them in advance will be very important. Professor Berscheid stressed the importance of the charge letter as well. That will highlight the dual concerns of the amount of faculty time required for Senate and Assembly committee work and of the strength of the faculty voice. The Senate Clerk and SCC's Executive Assistant will calculate an estimate of faculty time spent on committee work and SCC will inform the reviewers that we are also collecting that kind of information on a more systematic basis over the course of this year.

Professor Clark noted that the Governance Committee had surveyed committees but not senators. The report focuses largely on the committee structure rather than on the overall governance structure; the charge letter to the Governance Committee set forth other questions which were less prominent features of their report.

Professor Phillips recommended that the charge letter emphasize that the Consultative Committee values the independence of the outside reviewers.

DISCUSSION WITH PRESIDENT KELLER

President Keller joined the meeting at 10:55.

4. Biennial Request and Commitment to Focus.

President Keller told FCC that many people inquire about the cost of

the Commitment to Focus items in the new biennial request but that the question indicates a misreading of what the University is trying to do. To reach a 3rd-4th place tie in rank funding for program support within the Big Ten would require \$30 million to \$40 million more from the state, he said. However, the University will not request that much because it will become smaller and will focus the appropriation it does receive. The question we are asking is whether the state is willing to fund us adequately; Commitment to Focus is the justification for why the state should be willing to do that.

President Keller said the request is prepared somewhat differently this time; i.e., the University has omitted inflationary increases for SEE, which the state's other institutions have always omitted since the state calculates the inflationary allowance anyway. The University's request is for a relatively low 10% increase over the biennium above any formula increases. There are three general areas: (1) fixed costs, (2) rank funding adjustment, and (3) special projects; for several years, he said, these last have been funded at the expense of instruction.

Professor Shively asked what indicators the administration would look for at the end of the legislative session to judge whether the legislature is giving the support necessary to make Commitment to Focus work. President Keller said important outcomes would include support such that (a) tuition from lower-cost programs would not have to subsidize students in higher-cost programs, and (b) the University can target cell values for the dollars of state support per student such that as the number of students decreases the appropriation does not decrease. The University needs the legislature's agreement on this principle. Any increase the 1987 legislative session provides on the University's rank funding adjustment request will signal accepting that concept of providing more dollars per student.

Professor Phillips said the work in recent years of the Task Force on the Quality of Graduate Education and Research and the Task Force on the Biological Sciences had drawn attention to the need for additional funds for graduate instruction, particularly for laboratories. He asked whether those needs were yet being better met.

President Keller noted that the current request seeks a \$2 million increase for equipment replacement and a \$4 million increase for instructional computing, although without specifying how much should be for graduate education and how much for undergraduate. The University is also seeking to keep the entire indirect cost recovery and, he said, the administration finds that research equipment (acquired in substantial part with available ICRs) serves graduate students as well as faculty.

Professor Brenner, while acknowledging that this was the case, said also that it does not cover all unmet graduate instructional needs. President Keller commented that the Senate's recommendation of last May on a new formula for distribution of ICR's would constrain the use of the new dollars. Of the \$8 million the University seeks to keep, central administration would be able to use only \$4 million for research support.

Professor Phillips observed that the rank funding adjustment is not slated to benefit all the units where the need for improved graduate instructional support is very real. He called this support an important issue to the quality

of the institution. President Keller said that equipment and computing dollars (rank funding adjustment items) will be widely distributed and that a large part of the rank funding adjustment will go into faculty salaries, including retention. Of the \$3 million sought for instructional and computing equipment, he said, about half will go to general purpose improvements and about half to individual units as shown on the appropriations request. (The units and programs identified in the request are Institute of Technology, School of Management, Biological Sciences, Public Health, Coordinate Campuses, Neurosciences, Veterinary Medicine, and Geriatric Medicine.) Distribution will be further discussed, the president said, as the University budgets for 1987-88.

The president told FCC that still to be entered into the request is an item for physical repairs and replacement, which will be about \$6 million and will include the upgrading of classrooms.

5. Faculty Legislative Liaison.

The president has tried to reach the person at the head of FCC's second list, but that faculty member is currently on a short assignment outside the country.

6. The Capital Campaign.

President Keller reported that the campaign is going very well, with the University more than half way to its goal. Approximately \$20 million worth of endowed chairs has been matched at this point.

Professor Shively inquired about the extent to which the outcome of the endowed chairs will be, as announced, in accordance with the University's priorities. President Keller replied that the distribution of the new chairs is not bad. The University has declined to accept some offers where the proposed chair simply does not fit the basic directions of the University. Moreover, where a unit has been permitted to search for outside funds and after a year has not made progress, the administration may withdraw some of those permissions. In the Biological Sciences, no particular uses of endowed chairs will be agreed to until a new dean has been hired. The administration, he told FCC, is trying to maintain consistency between unit proposals and University and unit priorities.

The president noted that faculty and staff participation in the campaign has been amazingly good, and he lauded Crookston's rate and degree of participation as outstanding. Professor Clark commented that there is still a great reservoir of potential faculty contributors to be tapped by a timely jolt this fall. She asked whether central administration would continue its match for faculty and staff gifts if they exceed the \$3 million goal, and the president said he thought it would.

7. Academic Planning.

President Keller told the committee he worries about having an adequate system to carry through on all the University's announced intentions. The planning process languished somewhat in 1985-86, he said, and must be reinvigor-

ated. We need very serious unit and all-University planning. Vice President Benjamin is anxious to work on this and he will be talking with FCC about assembling a process which must be decisive and rapid. The immediate effort would primarily concern the Twin Cities Campus. (UMD, he noted, has a good planning process underway.) The process cannot be a political one. The president wants to avoid asking a faculty group to vote on what programs to eliminate, but he does not know whether Dr. Benjamin will want faculty group decisions or faculty group ratification of decisions the provost has justified to them.

Professor Berscheid inquired whether the president envisioned such a faculty committee as a continuing group or a one-time group. President Keller could say only that he did not see it as consisting of one of the Senate's standing committees, but rather one consisting of people picked because they will be good at this particular job of academic assessment. He noted that Dr. Benjamin has said that if the faculty do not believe in the process the University uses, the outcome will not work.

8. Faculty Development Committee.

President Keller said he thought the idea a good one and favored proceeding with it. He asked that the FCC recommend names for its membership.

9. Citizens League Report on Commitment to Focus.

President Keller acknowledged that the report is very supportive. Its background is that the president described Commitment to Focus to the Citizens League shortly after he issued it, and told them at the time that they could do a lot of good if they would address it and conclude whether they thought it would be a good thing for the state.

A report of this sort, he commented, shows sensitivity to some state needs and an absence of sensitivity to others. Concerns of agriculture and of minorities, for example, are absent. He has told the Citizens League he thinks they are strategically wrong on the General College and the coordinate campus issues. He believes the Citizens League can be helpful and thinks they will testify at the legislature on behalf of the University. Also, this report will further challenge the other state systems to do something in the way of focusing their missions.

He commented that editorial response to the Citizens League Report shows there is a tendency for people to start discussing the University's second C_TF step prematurely, before the University has gotten the legislature's response to its first step. The first step requires legislative acceptance of the concept of a smaller undergraduate enrollment and of moving towards being among the top five public universities.

Professor Berscheid asked what are the deadlines for decisions so that the project does not lose its momentum. President Keller said the legislature must answer in the upcoming session.

He noted that the Higher Education Advisory Council (HEAC) was charged by the last legislative session to require each of the state's higher educational

systems to define its role better. He believes HEAC's report should be a statement of recommendations on what the systems should be doing, rather than a descriptive statement of their current practices. Some of the systems have been responsive, but the State University System, which has just gotten a new head, has delayed. President Keller reiterated his position on the need for mission differentiation.

10. Reorganization Plans for Central Administration.

President Keller said he would provide the FCC with copies of his memorandum to the vice presidents which grew out of the Peat, Marwich report. He recommends dealing first with administrative organization as regards the coordinate campuses and after that with the restructuring of central administration.

11. Indirect Cost Recovery Fund Distribution.

As regards reporting to the Regents the Senate's May 15 vote recommending a revised distribution formula (including a maximum of 50% of available ICR's to be retained centrally instead of the present Regents policy of a maximum of 67%), he told the FCC he had finally concluded he could not support the Senate position. Until very recently it was his intention to support that and then to take advantage of the opportunity it provides for exceptions by explaining to the Research and Finance Committees the need to retain a higher proportion centrally. But, he said, since the present outlook indicates that those exceptions would have to be the rule, it would not be honest to rely upon them. He would not be able to abide by the spirit of the Senate action. He told FCC that he is not in favor of adopting a policy that binds people into the future, when circumstances cannot be anticipated. Furthermore, he believes ownership of ICR's is the state's. The University is now asking the state to let it keep the entire ICRF for the support of research. For Regents policy to return half the ICR to the units would suggest entitlement which does not exist. He does not agree with the implication in the Senate formula that a certain portion of the dollars belongs to the investigator; the investigator has, after all, already gotten the benefit of the grant.

Furthermore, he reminded FCC, the University has told the legislature that in return for keeping much more or all of the ICR's the University will not need to request appropriations for special equipment. So that equipment, as well as ever more costly set-ups, will have to be paid for by the University centrally. And if library acquisitions are not funded at the level we request, he asked FCC if it would not make sense to take a million dollars from the ICR's to maintain our libraries.

Professor Goldstein noted that the matter is not strictly one of the principle of having a formula since the current policy also defines a formula. Given the extent of past discussion, he regretted seeing the action turned back to the committees and the Senate.

Professor Shively, noting that it would be very unlikely for the Regents to approve the Senate recommendation without the president's endorsement, suggested that the president and the advocates of change consult further to see what could be worked out. He termed the question a matter of a principle of budgeting and of how much the administration would tie its hands.

Professor Brenner concurred that the investigators are all winners just by getting grants but that the real losers in the present situation are the departments. They have lost a lot of 0100 support and need an extra return for secretaries, computers, and so on. President Keller said the University's steady increase in ICR's from the state means the return to the University and to the departments keeps going up. But, he added, departmental needs are not tied to an arbitrary formula.

The president said that in principle we need to maintain flexibility and not rigidity, and that perhaps the parties could work towards a compromise. Professor Phillips said part of the principle should relate to incentives and that ICR helps incentive. President Keller agreed there are several very real reasons to return money to the investigators. However, it need not be on a formulaic basis.

Professor Berscheid asked whether at a minimum President Keller would delay reporting the Senate action to the Regents until he has the chance to discuss the issue with the Research Committee and others. Professor David Hamilton, chair of the Senate Committee on Research, said it was indeed important for the president to meet with the Research Committee. President Keller told FCC he would postpone reporting to the Regents and would not mind continuing the discussion. He said he would try to attend the first meeting of the Research Committee.

Professor Berscheid reported to the president that she had just written Dr. Heydinger the FCC's strong endorsement for the proposal that an annual letter go to all principal investigators explaining how ICR's are calculated and how the University has actually used them.

The meeting adjourned at 12:15.

Respectfully submitted,

Meredith Poppele
Executive Assistant



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September 18, 1986

President Kenneth H. Keller
202 Morrill Hall

Subject: September 25 Faculty
Consultative Committee meeting

Dear Ken:

The Faculty Consultative Committee will hold its first meeting of the new year with you on September 25. There are four topics we'd like to take up with you on that date. (In addition, we welcome any announcements and subjects you wish to bring to us.)

1. Faculty Development Committee. The Faculty Senate has asked the administration and the FCC to appoint a small committee of faculty and administrators to address the broad issue of the development of the University's faculty over the next decade. The charge to that body is outlined in the Senate's resolution (copy attached). Could we discuss with you any thoughts you might have on the composition of that body and the kind of work that it needs to do?

2. Citizens League Report on Commitment to Focus. Each FCC member has been given a copy of the report. We should like to discuss the report with you, with the intent of learning what we might do to help maintain the momentum of our Commitment to Focus plan.

3. Reorganization of Central Administration. The committee would appreciate knowing of your current reorganization plans, of how aspects of decentralization fit conceptually into Commitment to Focus, and of the current timetable for anticipated changes. We are particularly interested in the portion of the plan that concerns decentralization of promotion and tenure decisions to the coordinate campuses.

Kenneth H. Keller
September 19, 1986
Page two

4. Indirect Cost Recovery. Would you please give us your timetable for taking to the Regents the Senate's May 15 recommendation to them on a policy change for the distribution of the indirect cost recovery fund?

We all look forward to our first meeting.

Sincerely,



Ellen Berscheid
Chair, Faculty Consultative
Committee

EB:mp

c: Shirley Clark

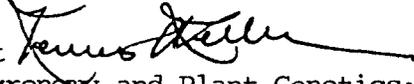
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circ SCC
1/16

UNIVERSITY OF MINNESOTA Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

December 12, 1985

- TO:
- John M. Taborn, Chair; Associate Professor, Afro-American Studies
 - John N. Clausen, Director, Lower Division Programs, Institute of Technology, Associate Professor, Mechanical Engineering
 - Thomas J. Daniels, College of Liberal Arts Student
 - Rene V. Dawis, Professor and Director, Department of Psychology
 - Bruce T. Downing, Associate Professor, Department of Linguistics
 - Carlos Enriquez, College of Liberal Arts Student
 - Sandra M. Flake, Associate Professor, General College
 - Virginia H. Gray, Professor, Department of Political Science
 - Diane P. Hedin, Assistant Director and Associate Professor, Center for Youth Development and Research
 - Robert J. Jones, Associate Professor and Corn Physiologist, Agronomy and Plant Genetics
 - Jack C. Merwin, Professor, College of Education
 - Lilibeth S. Miguel, College of Liberal Arts Student
 - George Morrison, Law School Student
 - Pat Mullen, Director, Office of Equal Opportunity and Affirmative Action
 - Robert A. Stein, Dean, Law School
 - William B. Stewart, Director, Student Services, University of Minnesota at Morris
 - Gerald Torres, Professor, School of Law, and Co-Director, Agricultural Law and Policy Institute
 - Bilin P. Tsai, Associate Dean and Associate Professor, College of Science and Engineering, University of Minnesota at Duluth
 - flo wiger, Acting Director, Office of Minority and Special Student Affairs
 - T. Williams, Senior Fellow, Hubert H. Humphrey Institute of Public Affairs
 - V. Rama Murthy, Acting Vice President for Academic Affairs (ex officio)
 - Frank B. Wilderson, Jr., Vice President for Student Affairs (ex officio)

FROM: Kenneth H. Keller, President 
 Deon Stuthman, Professor, Agronomy and Plant Genetics; 
 Chair, Senate Consultative Committee

SUBJECT: Special Committee on Minority Programs in Support of Commitment to Focus

We are writing to ask you to serve on an ad hoc committee to examine and make recommendations on University programs and practices aimed specifically at minority students and faculty. Your task force is charged with ensuring that "Commitment to Focus" will increase the University's success in attracting, retaining, and graduating minority students. Rather than being neutral with respect to its impact on minority students, we want

to ensure that the changes undertaken by the University as a result of Commitment to Focus improve the likelihood that the University will successfully educate both a greater number and a greater proportion of minority students. As part of our drive to become one of the top five public institutions, we also wish to attract and retain a greater number of high quality, minority faculty.

Specifically, the committee is asked to review, in a formative rather than summative way, our existing programs for minorities. We hope that you will endorse those programs which are effective and provide specific suggestions for new programming which would improve our attractiveness to minority faculty and our effectiveness in working with minority students. We ask that you provide specific suggestions for removing obstacles which stand as an impediment in creating a climate which is supportive of minority faculty, staff, and students. Our overall goal is each year to improve our record with minorities; thus we are asking you to consider developing a set of specific yet realistic measures against which we could judge our programs.

In responding to proposals contained in Commitment to Focus, four other all-University committees are being established and a number of committees within colleges and coordinate campuses have been appointed. When relevant, each of these groups has been asked as part of its charge to address the question of access to the University and the effect that any proposed changes would have on minority students. The appointment of your committee does not remove the responsibility of addressing these questions from these other committees. Instead, your committee is to review changes proposed by these Commitment to Focus committees with a special eye toward ensuring that their implementation is carried out in such a way that we improve our record with minority faculty and students. From the same perspective, your committee should also review and comment on the proposals being developed by two other University committees whose work will have a bearing on minority students. The first is the President's PK-12 Advisory Task Force which has the special responsibility of addressing relationships between elementary-secondary education and the University. The second is a committee charged with addressing the special needs of students who are characterized as "academically fragile," (i.e., students whom we expect, on the basis of test scores, high school rank, or other factors, to have more than average difficulty doing academic work at this university).

We are asking that an interim report be submitted on April 15, 1986, and the final report on June 15, 1986. The purpose of the interim report is to provide an opportunity for the University community to discuss and react to the recommendations the committee is proposing. To assist in the coordination and review of planning reports resulting from Commitment to Focus, we have appointed a Coordinating Committee. Its charge is enclosed. Your reports should be submitted to us and we shall forward them to the Coordinating Committee for review and comment.

John Taborn, Professor of Afro-American Studies, has agreed to chair this committee, and Sallye McKee of Academic Affairs will provide staff support. They will be getting in touch with you to establish your work schedule.

CTF Minority Task Force
December 12, 1985
Page 3

We do hope that you will be able to assist the University in this important aspect of its planning. Unless we hear from you to the contrary, we shall assume you will be able to serve on this committee. If you find that you are unable to be a member of this committee, please call Ms. Marsha Riebe (373-2025), Executive Assistant to President Keller.

KHK:kb

c: University Vice Presidents
University Chancellors
Ms. Barbara J. Muesing, Secretary of the Board of Regents
Dr. Richard B. Heydinger, Senior Assistant to the President
Senate Consultative Committee
Senate Planning Committee
Dr. Sallye McKee, Assistant to the Assistant Vice President for Academic Affairs

Enclosure: Charge Letter to Coordinating Committee on Commitment to Focus

UNIVERSITY OF MINNESOTA

Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455**DRAFT**

September 4, 1986

TO: University Vice Presidents

FROM: President Kenneth H. Keller

SUBJECT: Administrative Reorganization

In May, 1985, I appointed a task force under the leadership of Vice President Lilly to review the University's organizational and operational structure. Task force members included Acting Vice President Murthy, Vice President Wilderson, and all of our Coordinate Campus Chancellors. The task force was assisted by Peat, Marwick, Mitchell & Company.

This project arose from the perceived need for changes within the administrative structure of the University to support the implementation of Commitment to Focus. Specific objectives of the study were summarized in a letter which I sent to the Board of Regents on May 6, 1986. Briefly stated, these were:

System-Based Objectives

- to develop a structure which assures effective management of a \$1 billion organization
- to integrate planning and budgeting
- to ensure that policies and decisions reflect academic priorities
- to establish clear lines of authority and accountability
- to develop a clearer structure of system-wide administration without proliferation of central administrators

Campus-Based Objectives

- to ensure individual campuses develop in a way which emphasizes connection to the University in:
 - . program development
 - . standards of quality
 - . cost effectiveness
- to increase autonomy for campuses to manage their own affairs

From May, 1985, through May, 1986, the task force and Peat Marwick's Higher Education Consulting Group worked with hundreds of people throughout the University. Their analyses and recommendations were summarized in a series of nine reports which were then forwarded to me. Based on my review of these reports, as well as further discussions

with you and others throughout the University, I am asking that specific recommendations be acted on at this time. These recommendations are outlined in the following pages. Detailed reports are available through Vice President Lilly's office. In the months ahead, we will want to take action on other recommendations in these reports, as well. Brian Gorman, Assistant to Vice President Lilly, provided the primary staff support on this project, and is also available to discuss specific issues with you.

It is intended that implementation take place immediately. In cases where additional work is required, I ask that this start now. If the recommended changes cannot be completed by January 1, 1987, please provide a time line for completion.

At this time we have not reached a decision on certain recommendations. Responsibility for continuing work in each of these areas is outlined below. I will keep you apprised of our progress on these issues.

ACCOUNTS PAYABLE AND PURCHASING

The Peat, Marwick study made a number of recommendations on decentralization of accounts payable and purchasing functions. The financial vice chancellors on the coordinate campuses supplied preliminary data which was analyzed centrally. It is estimated that full implementation of these recommendations would involve \$19,000 in nonrecurring and \$130,924 in recurring costs. Therefore, I do not believe it is advisable to implement these changes.

BUDGETING AND PLANNING

- Planning will be more comprehensive (including non-academic units), based on academic objectives, and will drive the budget process. All Vice Presidents will be responsible for implementing this change.
- Coordination of planning, budgeting, and institutional research will be integrated into one unit reporting to the President. I have approved this recommendation and will proceed with the staffing thereof. I will notify you of the effective transfer date(s) as they effect your units.
- Complete base budgeting will be implemented for the 1987-88 fiscal year. The budgeting process will be based upon responsibility centers and will include:
 - . anticipated expenditures and contingency funds required to support the activities of each responsibility center for the coming year;
 - . currently available resources, estimated future revenues, and allotments needed to meet the planned expenditures and contingency funds;
 - . the exercise of budgetary control at the responsibility center level;

- . the assignment of fiscal authority commensurate with responsibility; and
- . an evaluation process whereby managers are held accountable for financial performance within their units.

- The budget process will establish better use of automation.
- Budget policies and procedures will be documented.

CASH MANAGEMENT

- Cash management will remain centralized, except that central administration will explore opportunities for unit participation in short-term investment earnings. Vice President Lilly will coordinate this effort.

CIVIL SERVICE PERSONNEL

- The central personnel office will retain responsibility for overall personnel program planning, development, monitoring and control. This includes, but is not limited to: employee benefits; job classification; and contract negotiation, administration, and interpretation.
- The responsibility for hiring new personnel will be shifted entirely to the campus level. The central personnel office will still retain responsibility for compilation and processing of employee statistics based on information generated by campuses. Vice President Lilly will coordinate this effort.
- Campuses rather than the central personnel office will review performance ratings. Vice President Lilly will coordinate this change.
- Campuses will execute all job evaluation procedures, utilizing approved instruments. The central personnel office will continue participation in the appeal process. Vice President Lilly will coordinate this effort.
- Campuses will retain all official, active personnel files. Vice President Lilly will coordinate this change.
- The central personnel office will continue to provide the repository for inactive files.

EQUAL EMPLOYMENT OPPORTUNITY

- Campuses will assume responsibility for Civil Service affirmative action programs. This includes the establishment of campus goals utilizing a system which incorporates local demographic data. Patricia Mullen, Director of EEO, will coordinate this change.
- The EEO Office will retain responsibility for institutional reporting.

DRAFT

PHYSICAL PLANNING AND PHYSICAL PLANT

- Design-related services will continue to be provided at the system level.
- System-wide policies and standards for operations and maintenance will be developed. Vice President Lilly will coordinate this effort.
- Real estate services will continue to be provided at the system level, except that campuses will have ability to negotiate directly and to enter into low exposure leases. Vice President Lilly will coordinate this change.
- Real estate will be more aggressively managed as part of an overall asset management program. Vice President Lilly will coordinate this effort.
- Continued consideration is being given to the reporting lines for the Twin Cities plant operations and maintenance (Physical Plant). This is a part of the overall organizational structure I am continuing to review.

PROFESSIONAL, ADMINISTRATIVE, AND FACULTY PERSONNEL

- Campuses will assume responsibility for review of the search process. Vice President Benjamin will coordinate this effort.
- Campuses will assume personnel system functions including review, data entry, and records maintenance for current employees. Vice President Benjamin will coordinate this effort.
- Further study is needed regarding the appropriate role for central administration in tenure decisions. Furthermore, additional consultation is needed prior to a final decision. Vice President Benjamin will coordinate this effort.

STUDENT FEES

- Student services fees will be established at the campus level. Vice President Wilderson will continue the work he has begun in this area.
- Administrative fees will be set at the campus level for those fees which are for campus-based activities or services. Vice President Lilly will coordinate this effort.
- Administrative fees will be set at the system level when the fees are for system-wide activities or services. Vice President Lilly will coordinate this effort.

STUDENT SERVICES

- Central Systems should be absorbed by AIS with responsibility and budget allocated to campuses and to AIS. The MIS Steering Committee will coordinate this change.
- Access to data for research and reports should be granted to campuses for campus specific needs. The MIS Steering Committee will coordinate this change.
- Student Financial Aid (Twin Cities Campus) will report to the Twin Cities Provost. Vice President Wilderson will coordinate this change.
- Completion of the FISAP Report for campus-based Title IV programs will be done at the campus level. Vice President Wilderson will coordinate this effort.
- Tuition assistance funds will be allocated directly to campuses. Vice President Wilderson will coordinate this effort.
- Campuses will assume direct responsibility for administration of foundation scholarship programs. Vice President Wilderson will coordinate this effort.
- Multi-campus and University reporting will be handled centrally. The MIS Steering Committee will coordinate this effort.
- Budget allocations in support of publications and miscellaneous services will be made directly to individual campuses. Vice President Wilderson will coordinate this effort after review of existing budget levels.

STUDENT WAGE RATES

- It was recommended that campuses have autonomy to tailor student employment in terms of both position classification and wage rates. I have asked Vice President Dunham to provide me with a legal opinion on this issue, before taking final action.

MANAGEMENT INFORMATION

- To ensure the maximum utilization of our MIS resources, priorities for the development of administrative information systems will be established centrally. The MIS Steering Committee will fulfill this function.

KHK:kb

- c: Edward C. Frederick, Chancellor, University of Minnesota-Waseca
- Robert L. Heller, Chancellor, University of Minnesota-Duluth
- John Q. Imholte, Chancellor, University of Minnesota-Morris
- Donald G. Sargeant, Chancellor, University of Minnesota-Crookston
- David J. Berg, Associate Vice President, Management Planning and
Information Services
- Patricia A. Mullen, Director, Office of Equal Opportunity and
Affirmative Action
- H. Peter Pyclik, Director, Administrative Information Services
- Richard B. Heydinger, Senior Assistant to the President