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MINUTES

All-University Senate Consultative Committee / University Committee on
Biennial Request and Budget Review

February 13, 1980

A joint meeting of the All-University Senate Consultative Committee and the University Committee on Biennial Request and Budget Review was convened by Richard Purple, Chair, SCC, at 1:10 p.m. on Wednesday, February 13, 1980 in Room 626 of Coffman Memorial Union on the Minneapolis campus for the purpose of discussing and commenting upon the University's 1980-81 budget, the 1981-82 budget and the 1981-83 biennial request. Other members attending were George Blake, Robert Brasted, Scott Carlson, Wendell Glick, Russell Hobbie, Vera Schletzer, L. E. Scriven, Don Spring and John Weis of the SCC; Marcia Eaton, Fred Morrison, Sue Pribyl and Jim Gelbmann of both committees; and Dwight Brown and Bob Evans of UCBRBR. In addition, Ivan Fletcher of Management Planning; Acting Vice President for Academic Affairs, Al Linck; Vice President for Health Sciences, Lyle French; Sarah Wasserman and Richard Heydinger, assistants to Vice President Linck; Jim Borgestad and Carol Pazandak, assistants to the President; and Carla Wheeler of the Minnesota Daily were present.

After those present introduced themselves, Professor Purple turned the conduct of the meeting over to Professor Morrison. Professor Morrison referred to three sources: the tear sheet from UCBRBR's notice in the Daily of February 12, the summary prepared for the February Regents meeting, and the large blue book entitled, "Recommendations for Discussion and Review: The 1980-81 Budget, the 1981-82 Budget, the 1981-83 Biennial Review." The financial data in the '80-'81

budget indicate changes from the '79-'80 budget by retrenchment, reallocation and new allocations. There is a retrenchment and reallocation summary for '81-'82. For the '81-'83 biennial request, some new programmatic items are indicated. The rest of that increase to be requested is simply to offset inflation. Professor Morrison indicated that UCBRBR wants guidance from the SCC on what information to seek in preparation for writing its report on February 21. That report will raise questions both of policy and of detail.

Professor Morrison summarized the budgeting process. Following the round of planning consultations, the budget executive discussed budget with deans and other unit heads. The colleges were asked to be prepared to discuss where they might retrench, rather than to define a specific dollar cut. The proposed budget and biennial request reflects the conclusions of the budget executive. Professor Morrison pointed out that retrenchments represent a net cut from the present base and that a cut will also presumably lessen the amount of soft money available to a given unit. Reallocation, meaning net increase, is going to only three units. Reallocation is "much more highly targeted" this time. "The big improvement in the process this time is getting it done in a timely way and with a three-year perspective. The longer perspective offers a very substantial advantage." Another advantage, he pointed out, is that by the time of the March Regents meeting departments are going to know their firm budgets for next year and be free to proceed with the hiring of their T.A.'s.

The purpose of the open forum scheduled within the February 14 Senate meeting was described as for the SCC, UCBRBR and the administration to gain broader-based responses. The SCC, however, and not the Senate, is the consulting body to the President on the budget. Professors Morrison and Purple also pointed out that response in the Senate is likely to focus on the content of just 0.2% of the entire budget. Professor Morrison asked whether the 0.2% which comprises reallo-

cation represents significant enough evaluation and reallocation effort.

Vice President French stated that the deans at their retreat had requested maximum discretion in their distribution of reallocation funds. Vice President Linck referred to Exhibit 8 in the Regents meeting summary, which shows that the budget executive recommended 41.5% overall of what unit heads had requested. The budget executive is asking departmental budget cuts to be focused, and not taken across-the-board.

Vice President Linck distributed copies of an outline of appropriation requests for the 1981 legislative session, in a format which distinguished O & M requests from requests for special appropriations. The vice president said that there will be written this spring some "memorandum of understanding which will reflect the consultative process," and which will accompany the President's statement on goals and objectives.

In response to Professor Blake's question of whether some positions are retrenched for the 1979-81 biennium, the vice presidents said positions are reallocated and there is no net retrenchment. Vice President French said the University has had no net loss of faculty positions since 1971. Professor Glick asked why there were so many new special requests on this occasion. Haven't we in the past, he asked, tried to fold specials into the regular O & M budget? Vice President Linck agreed this had been the case. There are two major new specials: the Plant Biomass Energy Research Project and the Minnesota Technology Center. Most of the other special requests for the next biennium are for continuations of existing specials. Professor Glick asked how a representative of the University is to answer a legislator who challenges the University's claim of "no new academic positions" by pointing out the 85 new positions under "specials." (Later discussion suggested that many persons in new "special" positions are not, themselves, new to the University.) Vice President French stated that specials have usually been funded

on a two-year basis, after which the University and the legislature can assess them and decide whether each is to be "folded in." They represent extra jobs the University would like to do but for which it cannot properly request new regular academic positions.

A discussion followed on whether there can be tenure-track people on state special money. Professors Morrison and Schletzer stated that there are none in Continuing Education and Extension. Vice President Linck said that they do occur among agricultural specials. Vice President French added that there are a number of people at the University, tenured or on tenure-track, who are not on the O & M budget. Professor Glick asked about the University's responsibility to such people, "in case the bottom should fall out." Professor Blake asserted the need for a clear University decision when requesting money on a state special whether or not tenurable positions are being created. If a given state special is intended to continue for a short period, one or two biennia, for example, then hiring policy would be different than if continuance is reasonably to be expected by the University and the legislature. Vice President French agreed with Professor Blake's latter point. He also gave assurances that the University maintains a cushion for salaries as well as a philosophy not to cut tenure-track individuals. Professor Glick said he would like the SCC to know just how many tenure-track individuals are on soft money in the University. Professor Hobbie asked how the current 209 persons on state "specials" can be dealt with at the end of each biennium, when future funding is uncertain. Vice President Linck replied that the managers of "special" programs are advised to use their funds not for new hiring but for contracts, particularly for "buying" parts of time of existing faculty, thereby also releasing funds for some other purpose.

Professor Eaton introduced a discussion on rationale for budget decisions. Reflecting on the blue book, she observed that need and demand are determined only in quantitative terms. She argued against sheer quantification and would like to see references to quality included in the budget rationale. Vice President Linck

replied that the legislature is very attentive to numbers and that workload provides almost the only available quantifiable data. The University just does not have other "output indicators." Still, he said, the budget executive was sensitive to more than enrollment-related considerations. They were reflective and did make judgments. To Professor Eaton's question, "To what extent can quality be a criterion?", he replied that it was a subjective criterion for the budget executive, as they asked themselves, "What was the relative quality?" Vice President French explained that there was not necessarily a correlation between high quality and more funding. There were colleges, for example, with accreditation problems in which the budget executive was told that a certain level of support would bail them out. The budget executive also found other units of high national standing where additional money was not needed.

Professor Morrison noted that the blue book states repeatedly that changes must be justified by "numerical criteria." Vice President Linck spoke of the contrasting evidences of workload and headcount, especially visible in CLA. Dean Lukerman has protested the retrenchment in CLA because the number of students is up. The workload, however, has declined in the 1970's by 20-25%, said the Vice President. Yet in CLA, he said, the headcount makes more difference than in any other program. Professor Morrison asked whether the alternatives in retrenchment are not either straight across-the-board cuts, or outright elimination of certain departments or graduate programs. Vice President Linck replied that there is a middle ground between those extremes.

Vice President Linck acknowledged that anxiety exists over the review statement accompanying the budget proposal for Morris. The budget executive did not recommend any of Morris's new requests even though the needs were eloquently expressed. The budget executive were anticipating serious problems if enrollment drops significantly in the 1980's. They see the Morris situation as an all-University problem, not one which involves Morris alone. Professor Spring asked if it was unfair of the

budget executive to rely on the argument that the legislature bases decisions on FYE (full-year equivalent enrollment). When, he asked, is the University going to come around to justifying to the legislature the importance to the state of the colleges of liberal arts with the same persuasiveness it has used to justify the importance of agriculture? "A small, public liberal arts college should be asserted as an asset," he declared. Vice President Linck replied that he "questioned whether the budget proposal was the place to address it, but it may have been an opportunity missed."

Reserve funds constituted the final object of consideration. The President's reserve fund is scheduled to be retrenched over the next biennium by \$95,000, which is to be reallocated to instructional areas. Professor Morrison spoke firmly in favor of the recurring fund which can be used by the President discretionarily in non-recurring ways, to meet certain important immediate needs. He did not favor moving a substantial fraction of that fund to the tuition income reserve and temporary instructional allocation reserve from which he perceives it will be parcelled out strictly on an enrollment basis. The vice presidents made the following points in response: (1) the reserves are important as a cushion against unexpected enrollment changes; (2) all the reserves come from tuition monies; hence all should flow back to support the educational enterprise; (3) nothing precludes using the temporary fund to meet urgent needs other than those which are enrollment-related; and (4) no decision has yet been made on the desirability of reserving some of the funds to use outside enrollment formulae. The vice presidents solicited advice on how to make the best decision about these allocations.

The meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Meredith B. Poppele
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