

Minutes*

**Senate Consultative Committee
Thursday, February 18, 2010
3:00 – 4:00
Room 238A Morrill Hall**

Present: Marti Hope Gonzales, (chair), Nancy Carpenter, Christopher Cramer, Will Craig, Shawn Curley, Janet Fitzakerley, Manjari Govada, Andrew Heairet, Walt Jacobs, Kathy Julik-Heine, Karen Lovro, Jonathan Lundberg, Jan McCulloch, Andrew Smith, Greg Summers, Kathryn VandenBosch, Cathrine Wambach, Becky Yust

Absent: Jeffrey Anderson, Carol Chomsky, Emily Hoover, Jeffrey Kahn, Russell Luepker, Michael Oakes, Francis Strahan, Sarah Waldemar

Guests: Aaron Carlson (Student Senate Consultative Committee)

Others: none

[In these minutes: (1) University Senate docket; (2) memorandum on the budget from Finance and Planning]

1. University Senate Docket

Professor Gonzales convened the meeting at 3:00 and asked Committee members to review the docket for the March 4 University Senate meeting. She noted that the Business and Rules Committee had added an item, budget discussion, given faculty, staff, and student concerns. The discussion could include questions to the administration; she said she would ask the President if he would respond to questions. Professor Yust said that in the earlier discussion of the Graduate School, Professor Chomsky chaired that portion of the meeting and it consisted only of people making statements—not a very satisfying process. It would be helpful if the President were to indicate what has been decided and what has not. Professor McCulloch agreed; when one thinks about the levels of anxiety and frustration people are feeling, will they give voice to them at the Senate meeting? It would be even more frustrating if there were no answers.

Professor Gonzales said she would send a message to senators asking them to speak up and to focus on the points raised in the memorandum from Professor Luepker to President Bruininks (see below).

The Committee approved the docket unanimously.

2. Memorandum on the Budget

Professor Gonzales asked Committee members if they had any comments or observations on the budget memo that Professor Luepker sent to the President (text of the memo between * * *):

* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.

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We recently met with Vice President Pfutzenreuter to discuss the budget proposals for FY11. The expected next round of State budget cuts deserves serious attention from all in the University community. The Committee offers a number of observations on information and data that it has been provided.

First, there are overarching themes, including:

1. It is apparent that we are in a severe and worsening fiscal crisis. Something has to be done. We are not sure everyone believes this yet or understands the likely impact.
2. The proposals are based on additional "across the board" cuts and is for only one year, FY 11. This is the usual response to a fiscal crisis. A bold, transparent strategic plan, which provides a vision and informs decisions, is not apparent. Such a plan will be essential if we are to face the FY 12 crisis and future cutbacks. The long-range problem was well described in the Financing the Future report. A strategic plan needs articulation and must be initiated soon.
3. Major elements in the draft budget proposal move many budget decisions from the schools and colleges back to central administration. This reverses the goals of the budget model over the last several years and takes responsibility away from the schools and colleges, once again encouraging dependency on central administration.
4. The draft plan that was discussed needs a summary table of the costs and revenues to assess the whole picture. It is not possible to ascertain this from the handout.

With regard to specific items:

1. Pay raises: A 2% raise in pay is more symbolic than economically substantive. Employees will appreciate the symbolism. However, the public and political perception of this may be that the University has enough money to absorb State cuts and still give pay raises.
2. Twenty-seven pay periods: This calendar artifact should be handled directly with 27 payments where applicable: all should be treated equitably, but calculating paychecks may differ between hourly-wage and salaried employees. This issue needs to be factored into future budgets. Few people understand the calendar problem other than knowing a solution wasn't planned. It shouldn't happen again.
3. Tuition increase: It is clear that the burden will increasingly fall on individual students and their families. It also appears the added money will be controlled by central administration rather than the schools and colleges. The increases will have to be used to offset state budget cuts and therefore will not be available for instructional purposes.
4. Initiatives pool: It is not apparent how we can create any new initiatives in the coming period. Some of this money appears targeted to fill holes that undoubtedly will occur but the criteria for these subsidies are not apparent. It sounds like discretionary money for central administration. A wise use of this money might be to invest in one-time projects that will produce financial benefits or to distribute part of the pool to colleges to invest in local priorities.

5. Furloughs: This is the most controversial topic for employees. In essence, two unpaid weeks is a 3.8% pay cut. Making it work will be problematic, especially given the diversity of funding sources and appointment terms for faculty, staff, and student employees. The Committee needs more details and further consultation, but the details must be worked out quickly because employees are already raising concerns due to the vagueness of the idea and lack of communication.
6. Overall givebacks of 2.75%: How will those decisions on the distribution of cuts among the various units be made and will the criteria be transparent? The term "supporting the institutional framework" is obscure. The bottom line of this is that staff will lose jobs.
7. Financial aid: In recent years, as state financial support has waned and tuition increases have been necessary to cover the resulting revenue loss, the University has significantly expanded its commitment to need-based financial aid to lower- and middle-income students. The cost of this aid is a substantial part of the undergraduate cost pool and reduces the efficacy of these tuition increases as corresponding increases in aid are needed. It also reduces discretionary revenue from tuition increases. Given the likelihood of sustained and significant reductions in state support, the Committee feels that it is important for the University community to discuss the nature and level of the University's financial aid commitment and how that commitment relates to the mission of the University.
8. Cost pools: A variety of comments were made about cost pools. It is apparent that some will increase, as will the overall total. It is apparent that the cost pools exceed the State subsidy for a growing number of schools and colleges. Cost-pool increases are an additional budget cut to the units, on top of the 2.75%. The Committee needs greater clarity about the relationship of the cost pools to the academic mission.

The Faculty Consultative Committee voted unanimously to endorse this memo.

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It was noted that the General Counsel has advised the President that the University cannot avoid paying employees for the 27th pay period, so that matter may be settled.

Mr. Smith reported that the Student Senate Consultative Committee had met with the President and one concern it brought up was support for research by students (UROP and support for graduate students). They asked if such funding would be protected or among the first to go. The President said that the funding would be protected.

Ms. Julik-Heine reported that tuition is increasingly on the minds of students; they understand the need for tuition increases, they just don't look forward to them.

They also talked about the proposed \$36-million cut, Mr. Smith reported. It appears that MnSCU was favored when the decision about cuts was made, perhaps because there is a public perception that much of the money is going back to the schools during a recession and MnSCU is seen as more accessible. If that is the perception, the University needs to counter it. MnSCU is more elastic in response to demand, Professor Wambach commented; the community and technical colleges admit all

who apply whereas the University caps enrollment. So there is some truth to the perception. That is different, Mr. Smith said, because this is the premier research institution of the state; it is a question of legislative priorities and access for the masses versus a quality product.

Mr. Carlson, a member of the Student Senate Consultative Committee, reported that they had also raised with the President questions about UMore Park and how it would contribute to University finances. He said he believed the Senate needed to stay informed about it. The President's view is that it will create revenue for the University and help to counter the unallotments.

Mr. Heairet commented that the students are accepting what they will be facing.

Professor Wambach suggested the students look at the financial aid policy and consider what University policy should be.

Ms. Lovro said that the Civil Service Committee has concerns about point #6 in Professor Luepker's memo. Staff will lose jobs but seniority systems are poorly maintained in the colleges. Some decisions may be made on performance, not longevity, and managers are using staff reductions as a way to make decisions about individuals. She suggested that there should be a statement encouraging colleges to look at seniority because it affects bumping rights. They would be ahead of the game if they looked at the issue now. Professor Yust commented that if bargaining-unit records are kept centrally, it seems illogical that colleges keep track of civil service seniority. Ms. Lovro agreed and said it would take many hours of work for colleges to update their records—and central Human Resources does not have the staff to do so. It would be possible to ask the colleges to get their records updated and then have central Human Resources taken over records management. Bumping rights, she noted, depend on the seniority unit in which the employee works, units that were determined historically.

The biggest concern among the staff is not knowing, Ms. Lovro reported. Most employees tell them that they want to know the bad news so that they can plan for it. They understand these are bad times, but this "maybe, maybe not" is a problem.

Dr. Craig said that the news about the 27th pay period is disappointing. The Council of Academic Professionals and Administrators was willing to swallow the extra pay period in order to save jobs. Now the funding will have to come from elsewhere and could cost positions. The options seem to be gone even though they were willing to recommend that everyone take a little hit.

There will also be hidden cuts, Ms. Lovro commented, such as increased health-care costs, parking rate increases, and so on. The proposed 2% compensation increase may be symbolic but it will help ease the pain. There is a concern that people are losing ground financially.

Professor Gonzales said it was gratifying to hear at this meeting the same concerns that the faculty have communicated to the President. She then adjourned the meeting at 3:45.

-- Gary Engstrand