

## AHC Finance & Planning Meeting

Tuesday, January 27, 2009

4:30 ~ 6:00 p.m.

Children's Rehab Center

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

**Present:** Paul Olin (chair), Helen Hansen, John Connett

**Regrets:** David Lee, Yusuf Abul-Hajj

**Approval of Minutes:** Minutes from the January 13, 2009 meeting were not approved due to lack of a quorum.

### **Money Pools:**

A copy of the Board of Regents Policy on gift solicitation and acceptance was distributed to members. Chair Olin said that he is aware that there are "reserves" of money in possibly several units at the University. It is time to identify any cost pools that exist, including the source of the funds and review the rules of fund spending and saving (pooling). He knows that some of the money in these pools is committed funds such as foundation funds, fixed price awards or gifts that come with spending guidelines and he plans to review the guidelines for clarity. He will also look into what happens to foundation funds donated to a particular program if the program closes and if there is any kind of expenditure timeline on these kinds of funds and if so, what happens to the money if time runs out. Olin said that it is not uncommon for units to spend money unnecessarily because if they don't, they will lose that money. He thinks this is not financially wise. He thinks it is time to review unit budgets on an individual basis to get a better picture of the Medical School's financial situation.

Olin offered one idea that the University could create a program offering individual departments credit slips in order to use their reserved funds where needed and returning them to the department when the University is in better fiscal shape. He said that the individual pockets of money might not amount to much when looking at the large financial crises that the University is facing but if funds were combined, it could make a substantial contribution to future college necessities.

### **Budget Strategy Priorities**

Members looked over a list of budget reduction strategies and discussed the importance of each item. They selected the top five focus priorities, which are; programs and personnel, administrative function consolidation, academic/faculty productivity, curriculum reform and scheduling, and salary protection versus workforce reduction. The idea of assigning nine or eleven month posts rose again as a possibility. Chair Olin said that he thinks there may be faculty that would welcome an appointment of less than 12 months. Professor Hansen expressed concern for the upcoming restructuring of the Medical School. She said that she sees areas that could and should be restructured that would save a great deal of money. Approximately 50% of the faculty in her unit have a 50% administrative duty time structure, which greatly reduces their availability to teach and thinks that administration is too top heavy. Olin thought it a good idea to request the allocation of time for faculty and administration and to review administrative functionality. This information will be helpful in creating a budget and restructuring.

Olin said that it is appropriate to have faculty input on the University contraction and how it will be done. He spoke of a *budget challenge* committee that Dr. Cerra had originally mentioned and likes the idea. He would like to see a task force to review faculty expectations for teaching and looking at faculty production, as well as to give ideas and input on the possible impact of various decision options. Programs could be reviewed and questioned about the necessity and purpose being served. Members agreed that research is not an area that needs much in the way of review. Professor Connett suggested looking at fund raising opportunities that had been snubbed in the past. Some were passed up due to not having the human resources to do it and others, because it was thought that the effort would not be worth the funds it generated. Olin said he would work with Beth Nunnally to ferret out reserved resources. He thinks there is a huge potential for one-time money that had not otherwise been considered.

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