



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee
614 Social Sciences
267 19th Avenue South
Minneapolis, MN 55455
Telephone (612) 373-3226

FACULTY CONSULTATIVE COMMITTEE

February 16, 1984
626 Campus Club
11:00 - 12:00

AGENDA

1. Minutes of February 2 (enclosed).
2. Report of the Chair.
3. Discussion with Professor Shively about the March Legislative Session.
4. Discussion of Section 11 of the Tenure Code, and a possible proposed amendment concerning consultation between the Regents and the Senate.

NOTE: Professor Shively seeks the advice of the FCC on items capital (and perhaps otherwise) that will be before the Legislature. Attached are lists itemizing the Capital Request and items to be pursued if the budget is opened more generally.



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee
614 Social Sciences
267 19th Avenue South
Minneapolis, MN 55455
Telephone (612) 373-3226

MINUTES

APPROVED 3/1/83

FACULTY CONSULTATIVE COMMITTEE
February 16, 1984
626 Coffman Memorial Union
11:00 - 12:30

Members present: Virginia Fredricks, Phyllis Freier, John Howe (Chr.), Marvin Mattson, Jack Merwin, Irwin Rubenstein, W. Donald Spring, Deon Stuthman, John Turner.

Guests: Maureen Smith, Kate Parry; Daily reporter; Professor Phil Shively.

1. The Minutes of the February 2 FCC meeting and of the FCC discussion with Dean Holt were approved.
2. Professor W. Phillips Shively, Faculty Legislative Liaison.

Organizational matters:

- a) Professor Shively has hired a student to redo the lists of faculty by legislative district. They will be made available to Vice President Kegler's office and to the UMFA.
- b) He will see to it that faculty meetings with legislators, organized by district, are held next fall, and will check with the UMFA to avoid overlap.
- c) He remains president of UMFA for the few remaining weeks until UMFA's annual meeting.

Priorities and issues:

Professor Shively told FCC he believes he is most useful regarding the University's budget needs. For the 1984 legislative session he is concentrating on the legislative initiatives. (There are eleven items on that list.) There is wide agreement, he said, that the University should get that money. In addition, he is looking toward the 1985 session. The legislators are concerned for quality and understand that salaries are importantly related to quality.

Professor Shively said Vice President Kegler's office seems to be very effective regarding the capital requests.

Trade-offs? FCC members inquired as to whether legislators weigh the requests for athletic facilities appropriations against academic capital requests. Professor Shively said most people do not view those separate requests as opportunities for trade-offs. The legislators, like the general population, have differing attitudes towards athletics. However, those who are concerned

for the academic quality of the University are somewhat worried there could be a trade-off. FCC members indicated their worry and asked Professor Shively to listen particularly hard on this question.

Professor Howe expressed the opinion that to some extent the University is using up political capital on the athletics requests, in part because they get so much attention. Professor Shively said that while appropriations are always basically a zero-sum game, this time they are less so than usual. Different groups are championing different parts of the University's request.

But, cautioned Professor Turner, legislators usually tally up everything and focus on the total the University is getting.

Professors Howe and Stuthman acknowledged that some gains accrue to the University from improvements in intercollegiate athletics. Professor Stuthman called for developing a cooperative rather than a competitive mode for working together for the total good of the University.

Item: Supercomputing (\$3,240,000).

Among all the state specials this one, which came about at the governor's initiative, has the best chance of funding. Professor Shively noted that the governor's budget message names Control Data Corporation as the supplier of the supercomputer and gives the governor a role in choosing the head of the center. He told FCC he has been saying plainly that the head should be accountable strictly to the University, and added there are particulars in the governor's proposal we must work strongly against.

Professor Turner said as far as FCC is concerned, we need to keep pushing the need for academic excellence above everything else.

Item: Faculty Retirement Reduction (\$1,920,000).

Professor Shively told FCC everyone agrees the University has a strong case for this funding. The University absorbed the cost of the state's 2% contribution (for 6 months), borrowing internally, and had strong assurances it would be recompensated.

Items: Faculty Compensation Deficit (\$2,263,806) and Civil Service Compensation Deficit (\$3,823,355) ("annualization").

Professor Shively told FCC that all agencies of the state were treated in the same way regarding compensation increases. To reconsider the University's due would therefore require opening up the question for all the rest of the system.

FCC agreed it is appropriate for Professor Shively to be devoting his energies primarily to the all-University budget needs rather than to the capital requests. Professor Howe said FCC would favor Professor Shively's special efforts on the retirement fund question if the supplement list is opened up.

FCC members expressed their hearty confidence in Professor Shively as their legislative liaison.

3. Graduate School Tuition.

Professor Freier reported to FCC on the history of the new tuition policy, gave an assessment of the degree of consultation along the way, and stressed

the widely held deep concern about the effects of the policy. She submitted a motion for consideration.

History. The per-credit proposal emerged in the Wilderson Task Force Report on Access (1977) and underwent changes from faculty input, most notably the inclusion of banding. When SCC, in December, 1979, discussed the policy motion which was about to go to the Regents for their approval, there was minimal reference to the Graduate School; in response to SCC inquiries about assessment of the Graduate School's experiment with per-credit tuition, the only response was that the Graduate School was losing money because there was no minimum of credit hours for the Ph.D. and because a single credit per quarter sufficed for registering for the thesis. It was also reported then that the Graduate School was forwarding to Academic Affairs a request for a band in the tuition schedule and a thesis credit requirement.

SCC in its letter to the President forwarding its vote to approve the per-credit tuition policy asked that the Regents study the impact of the new policy if they did adopt it.

Deviations from the formula were incorporated from the beginning. Professor Freier pointed out that the policy as presented by the President and approved by the Regents contained several concessions to accommodate particular circumstances, for example, a slightly lower tuition rate for Waseca and Crookston, and a different band range for Morris.

While the Senate Finance Committee saw the policy implementation proposal in March, 1983, and was told that graduate tuition would be most heavily affected by the policy implementation, and the SFC Chairperson reported that to SCC in April, the effects did not become clear until later and, Professor Freier told FCC, she does not consider there has been adequate discussion of the effect upon the Graduate School.

This is a matter which reinforces a faculty perception that faculty consultation is ineffectual, she said.

Motion. Professor Freier moved that the FCC immediately write to advise the President that the Budget Executive freeze Graduate School tuition at the 1983-84 level until a complete cost-benefit analysis can be done and the effects on the Graduate School can be fully assessed.

Discussion.

Professor Freier said the basis for the request is the SCC's request of four years ago that the Regents study the effects of implementation.

Professor Spring, who was an SCC member in 1979, confirmed that the emphasis then was on undergraduate education and that banding had been added at faculty insistence. The reason for his motion for an impact study and for the SCC's unanimous approval of it was because SCC knew there was much they could not anticipate.

Several FCC members expressed the view that consultation, particularly within the Graduate School Structure (Policy and Review Committees, the G.S. Executive Committee) had been adequate.

Professor Turner made these observations:

- We're faced with the problem of making tuition cost-based.
- SCC had some extended discussions regarding tuition policies last year, before the Legislature acted to require cost-based tuition.
- Sometimes consultation makes an immediate impact, sometimes an indirect impact, and sometimes no perceptible impact.
- FCC as a whole put few questions to Dean Holt after his presentation to them on February 2.

Professor Freier pointed out that she had raised several questions.

Professor Stuthman said an impact study would be very hard to do; since two major policies were changed at the same time the models do not work.

Professor Freier said all three models depend on a computer simulation; one cannot have complete faith in that. Moreover, values are not factored in. She argued that cost-benefit needs to be in the program. The tuition policy must recognize the value to the University of the Graduate School. Among other benefits, undergraduate education costs less than if professors had to be hired for all the teaching.

She added that the morale problem is reason enough for her as a member of the top consulting group to feel the obligation to give this advice to the President.

Professor Rubenstein argued that the tuition raise has little effect on graduate students who are T.A.'s because they are being paid. He and Professor Stuthman noted that such graduate students are benefitting and learning from doing their own instructing without paying tuition for it.

Professor Howe at this point summarized the issues of the discussion:

- Has there been adequate consultation?
- Do we have confidence that there will be careful attention to and assessment of the effects, and of what outcomes will result from what strategies?
- The problems of the short-term impact.

Professor Freier mentioned that faculty were all surprised that the tuition students faced in the fall was much different from the offers departments had sent out to prospective students in March.

Professor Rubenstein spoke for moving ahead. He noted:

- The University has to move toward cost-based tuition.
- The pie is fixed in size.
- If you freeze graduate tuition, the undergraduate proportion has to increase.
- Dean Holt appears to be trying to put in place a policy that will meet the new demands on the system. We are going to suffer from the change whenever it comes; we should make it as rapidly as possible.

Professor Merwin also questioned delaying action.

However, cautioned Professor Howe, one has to know what one is trying to achieve with the changes; what that is in this matter is not crystal clear to some of us.

Professor Stuthman spoke in support of the graduate dean for taking a long-range perspective and trying to do something about the long range. The damage would be much worse if we disregarded the long range in order to make the short range more acceptable.

Conclusions.

Professor Spring assessed the discussion as beneficial to FCC. He recommended that Professor Freier withdraw her motion and that Professors Howe and Freier write a letter to the President laying out the seriousness of the short-term concerns. Professor Turner asked that if a letter is sent to the President in the name of the Committee it articulate all the points made in this morning's meeting. Professor Fredricks asked for reference to the morale of both faculty and graduate students.

Professor Freier withdrew her motion and Professor Rubenstein his second.

Professor Rubenstein said the Graduate School dean should be asked to articulate to the faculty the long-term goals he is attempting to achieve. He said he could request Dean Holt to bring such a statement when he meets with the Senate Finance Committee on March 1.

Professors Howe and Rubenstein will discuss whether the Consultative Committee should meet jointly with the Finance Committee on that date.

Professor Merwin reminded people to be aware of the tremendous diversity within the Graduate School. "The graduate student" doesn't exist.

Professors Howe and Freier will compose a letter and contact FCC members for comment upon it.

4. Tenure Code.

Professor Spring proposed an amendment to Section 11.51 which would insert a requirement for reporting to the SCC should the Regents intend to pursue a course other than that recommended by the Senate in the event of a financial emergency. While the wording might be different, the gist of the change should be:

Following this sentence (page 19, lines 22-24): "After receiving the President's recommendation and the resolutions of the Senates, the Board of Regents may declare a state of financial emergency"

there should be added: "Before action contrary to the recommendation of the University Senate is subsequently taken, the President shall report in writing and in person the reasons for this action to the Senate Consultative Committee."

This step is a procedure recommended by the FCC's special subcommittee on financial emergency procedures and approved by the FCC in late spring, 1982.

The provision would give SCC a chance to respond to the Regents' reasons before the Regents took action contrary to the Senate's recommendation.

FCC unanimously approved working with Professor Morrison on language the FCC and the Tenure Committee could jointly propose to the Faculty Senate.

This meeting adjourned at 12:30 p.m.

Meredith Poppele,
Recorder.



UNIVERSITY OF MINNESOTA
TWIN CITIES

Office of the Dean

Graduate School
Johnston Hall
101 Pleasant Street S.E.
Minneapolis, Minnesota 55455-0421

February 29, 1984

Professor John Howe
Chairman, Senate Consultative Committee
Department of History
614 Social Sciences Building
West Bank Campus

Dear John:

Thank you very much for your letter of 23 February. There are several points I can make in response to the issues that you raise.

1. You are certainly right in identifying per credit tuition as a major source of difficulty. Within months of accepting the position of Dean I began studying the problem and raised it with the Executive Committee and Policy and Review Councils last fall. A major focus for the past five Executive Committee meetings has been how to get to a viable alternative. A formal proposal will be outlined to the faculty and presented in detail to Central Administration this week. We do not have to go into historical research on how we got into the present difficulty in order for us to take action to get ourselves out of it.
2. There is some confusion about "the high tuition/high financial aid strategy that we are pursuing." This is not a strategy we are pursuing, this is one of the strategic alternatives which is being examined. Michigan represents the prime example among public research universities of a high tuition/high financial aid strategy. Our tuition and aid, even as proposed for next year, is nothing like Michigan's. You are also mistaken if you think I would be foolish enough to even explore such a strategy which would allow tuition to rise without firm commitments for financial aid. Indeed, at the present time I have created a faculty committee to look into the problem of student aid and make recommendations to me for submitting material to Central Administration for the biennial request to the legislature. There is no way that we can go the high tuition/high financial aid route without having a prior firm commitment on financial aid.
3. The criteria for distributing financial aid to departments has been well discussed by the Graduate Fellowship Committee and specific decisions have been made in close consultation with the chairman of that committee. The criteria have been circulated to the Executive Committee and I expect, for future years, to have thorough discussions in

that body. You should know, however, that every program in the University that requested financial aid received financial aid, and virtually all of them received the amount they requested. This does not suggest to me that it has been "targeted too tightly on select graduate programs."

I must say that it is perplexing to me that faculty who argue so strenuously against across-the-board cuts when retrenchment decisions are made, seem to be arguing for across-the-board allocations when student aid is being considered.

4. Efforts in the Graduate School have been to study the effects of moving tuition to 32 percent of instructional costs. There may be some very good reasons to keep below that level. I personally, however, feel that 20 percent of instructional costs would be, in the long-run, politically intolerable if there are some students at the University paying 40 to 50 percent.

Again, let me state my position clearly; it seems so frequently to be misinterpreted. We at the University must have a combination of tuition and student aid which keeps us strongly competitive financially with graduate programs in the major research universities throughout the country. Whether we end up with relatively high tuition and very high financial aid or in a position with more moderate comparative tuition and less financial aid is still up for decision. But, please, let us not get so emotional over the issues that we cannot debate a number of alternative approaches. Only by examining alternatives can we arrive at a position which is the best one for the University of Minnesota.

5. I was quite surprised that members of the Senate Consultative Committee are unclear about the assumptions and calculations that underlie the model by which University expenditures are assigned to costs of instruction at various levels. When the tuition issue came up last fall one of the first things I did was to call a meeting between David Berg from MPIS and the Executive Committee of the Graduate School to look into that model. Since that time I have gotten together a small group of deans to meet with Berg for the same purpose. It is exceedingly difficult to carry on informed discussions about the issues that face us without familiarity with that model. Let me make several points about it: (1) It is an accounting model, not an economic model; it can, therefore, assign actual expenditures to various functions in the University, but it cannot deal with true economic costs and benefits. (2) There are a number of places in the model where the costs of graduate instruction are underestimated. If the accounting model were redone on the basis of other assumptions in

Professor John Howe
February 29, 1984
Page 3

a University forum in which a number of interests were represented, the result could well be a new system in which the costs of graduate instruction were even higher relative to undergraduate instruction. (3) There is one minor change that could be made which would have the effect of shifting 10 to 15 percent of the cost of graduate instruction to undergraduates. There is another change that could be made that would dramatically decrease the costs of both graduate and undergraduate instruction but would require a significant increase in legislative appropriations for non-instructional purposes. (4) I personally believe that in addition to this accounting model, which is absolutely necessary for keeping track of the University costs and for dealing with the legislature, to have an economic model which would include measures of true economic costs and true benefits. This model should be used more for internal University policy-making. I have discussed this issue with Steve Hoenack and actually have worked with him on a project dealing with the marginal costs of graduate education that actually could be one component in such an economic model.

I would be happy to meet again with the Senate Consultative Committee if you wish to discuss these important issues. It might be important for us to get together when you have seen a copy of the new proposal; a letter that goes out to the graduate faculty this week will provide a general outline of its features. I would be willing to discuss with you all of its details. You must recognize, of course, that this is a proposal to Central Administration and the decisions will be made by the Central Administration and by the Board of Regents, not by the Graduate Dean.

I welcome your support for our graduate programs. It is only when the faculty and the administration can work together to pursue these common goals that we will be effective in reaching them in these very difficult times.

Sincerely yours,



Robert T. Holt
Dean

RTH:mt



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee
614 Social Sciences
267 19th Avenue South
Minneapolis, MN 55455
Telephone (612) 373-3226

February 23, 1984

Dean Robert Holt
The Graduate School
321 Johnston Hall

Dear Bob:

At our most recent meeting, on February 16, the Faculty Consultative Committee once again discussed the range of issues revolving around graduate tuition and financial aid. The FCC is not of one mind on the question of how we got into our present predicament or how we might best get out of it. In this, we reflect the very great differences of opinion among the faculty. We are agreed, however, on the seriousness of our present situation, and we would like to share our major concerns with you.

It is probably not terribly helpful at this point to argue about how we got into the situation we are in. But several points do bear mentioning. The record of consultation and decision making over the last five or so years, as we have pieced it together, indicates rather clearly that the initial decision to move to a credit based tuition system and to move tuition rates in the direction of a uniform percent of estimated instructional costs was discussed primarily with undergraduate tuition costs in mind. We find no evidence that the implications for graduate tuition were carefully considered, although by the time the new policies were formally adopted in December of 1979 the Graduate School had been conducting an experiment with per-credit tuition for about two years. On December 6, 1979, the Senate Consultative Committee was concerned enough about the consequences for graduate tuition to pass a motion calling upon the Board of Regents to follow carefully the impact of the new per-credit policy. That apparently was not done, and we are only now understanding the actual impact of those decisions.

We clearly have not done a very good job of anticipating the cumulative impact of such major changes as moving to credit hour based tuition, instituting educational cost based tuition policies, and implementing the thesis credit system, all within a short span of time. Taken individually, each has considerable merit. Taken together, they clearly have created turmoil.

We applaud your efforts to find a long-term solution to the

Dean Robert Holt
February 23, 1984
page two

problems besetting us. You are absolutely right that we must look five or ten years down the road and devise tuition and financial aid strategies that will bring stability and strengthen our graduate programs. At the same time, however, it remains true that many students are being caught by the rapid tuition increases in the short run and we are concerned that the reputation we may be earning as a high cost institution with unstable pricing structures will continue to damage us even after we have things under control.

We are concerned as well about the high tuition/high financial aid strategy that we are pursuing. We understand the argument that low tuition is a non-discriminating form of financial aid and that the strategy we have adopted opens the possibility of more carefully targeting financial aid with programmatic considerations in mind. But the whole strategy assumes that financial aid will increase in proportion to the increases in tuition. Otherwise we are certain to experience a dramatic decline in our graduate student population, a decline that will require still higher tuition rates. While we know that financial aid has increased, we are not confident that the increases have been sufficient to offset the tuition hikes--at least for many graduate students.

Some of us continue to be concerned that the increased financial aid will be targeted too tightly upon select graduate programs. When you met with us, you gave clear evidence of understanding the wide variety of graduate missions our departments pursue, and of a willingness to consider the consequences of tuition increases for all of those missions. In many of our departments, one important mission has been to provide terminal masters' programs for people who either need or simply want to do some graduate study. It is certainly true that institutional reputations are not built primarily on such programs. But many of them are in place, they do serve genuine student needs, and they are for the most part quite respectable. Recent decisions seem to indicate that the students in such programs can expect to bear the full brunt of tuition increases, for they are predominantly state residents and seldom qualify for financial aid. We appear to be in danger of closing off graduate study to them. As that happens, departments will lose student credit hours, the usual financial consequences will follow from that, and doctoral as well as masters programs will suffer. There can be no clearer example than this of how tuition strategy serves, either wittingly or unwittingly, as an instrument of educational policy. We should be very explicit about the policy outcomes that our tuition strategies are intended to bring about. Some of us are concerned that we have not been thoughtful and explicit enough.

Our discussion of graduate tuition policy appears to have been based on the premise that all student tuition levels must move toward 32% of estimated cost of instruction. Some of us

wonder how solid that assumption is, or needs to be. The Regents' policy contains a number of exclusions that seem to be based upon a variety of arguments. Thus tuition at the Crookston and Waseca campuses, for example, is to be set at a rate approximately 5% below the all-University lower division tuition rate, apparently to encourage enrollments there. Tuition levels in the professional schools, on the other hand, are to be established at rates consistent with the University's relative position within the Big Ten and comparable institutions.

Some of us question the logic that calls for a uniform percentage of cost of instruction for all students. In fact we think it's true that the legislature only requires that each institution move toward a 32% average for its instructional costs as a whole. The argument for uniformity across programs, moreover, seems to fly in the face of good educational planning. Graduate instruction is clearly more costly than undergraduate instruction. Why then should it not be more highly subsidized than undergraduate education? Our distinctive graduate mission would seem to argue for a tuition policy that recognizes and strengthens that mission. Certainly graduate students are not better able to pay than are undergraduates. Nor can they, on the average, expect notably high salaries once they enter their profession.

No data are more important to this whole set of decisions than the estimated average cost of instruction for different kinds of students. So much follows from them. Those calculations must no doubt be complicated. But they obviously are based upon a variety of controlling assumptions. Many of us remain quite unclear about what those assumptions and calculations are, especially as they apply to graduate instruction. We are uncertain how complete and reliable the cost-benefit analysis has been. Do the data on average costs of graduate instruction, for example, take into account the effect of Graduate Assistant teaching upon the costs of undergraduate education? Or the fact that many faculty would be in their labs doing scientific work, though certainly not as much or as well, whether or not graduate students were there with them? The average cost of instruction data must be understandable and persuasive if faculty and students are to have confidence in them and in the policy decisions that they support. At present, such understanding and confidence are not widely shared.


Nor do many faculty and students understand the intricacies of the various tuition formulas that are presently being discussed. And not, let me hasten to add, for lack of trying. We appreciate the efforts that you and others are making to devise a workable formula. But for any system to be workable, it must be readily comprehensible by both students and faculty. Its elements must be clear, as must its implications for individual graduate students and different kinds of graduate programs. Once again, sufficient understanding does not yet exist.

Dean Robert Holt
February 23, 1984
page four

Finally, we commend you for your efforts to communicate with the faculty on all of this complicated business. We benefitted from your meeting with us on February 2 and value the consultation with faculty and student groups now underway in the Graduate School. As you have on several occasions pointed out, misinformation on matters of graduate tuition changes and financial aid is abundant. We need to work hard to overcome that. But imperfect and inconsistent information exist as well. Consultation and explanatory letters to faculty and graduate students can help to overcome that condition as well.

All of us are seeking ways of preserving and strengthening our graduate programs. It is in that spirit that we send you this letter.

Sincerely yours,


John Howe, Chairperson,
Faculty Consultative Committee

JH:mp

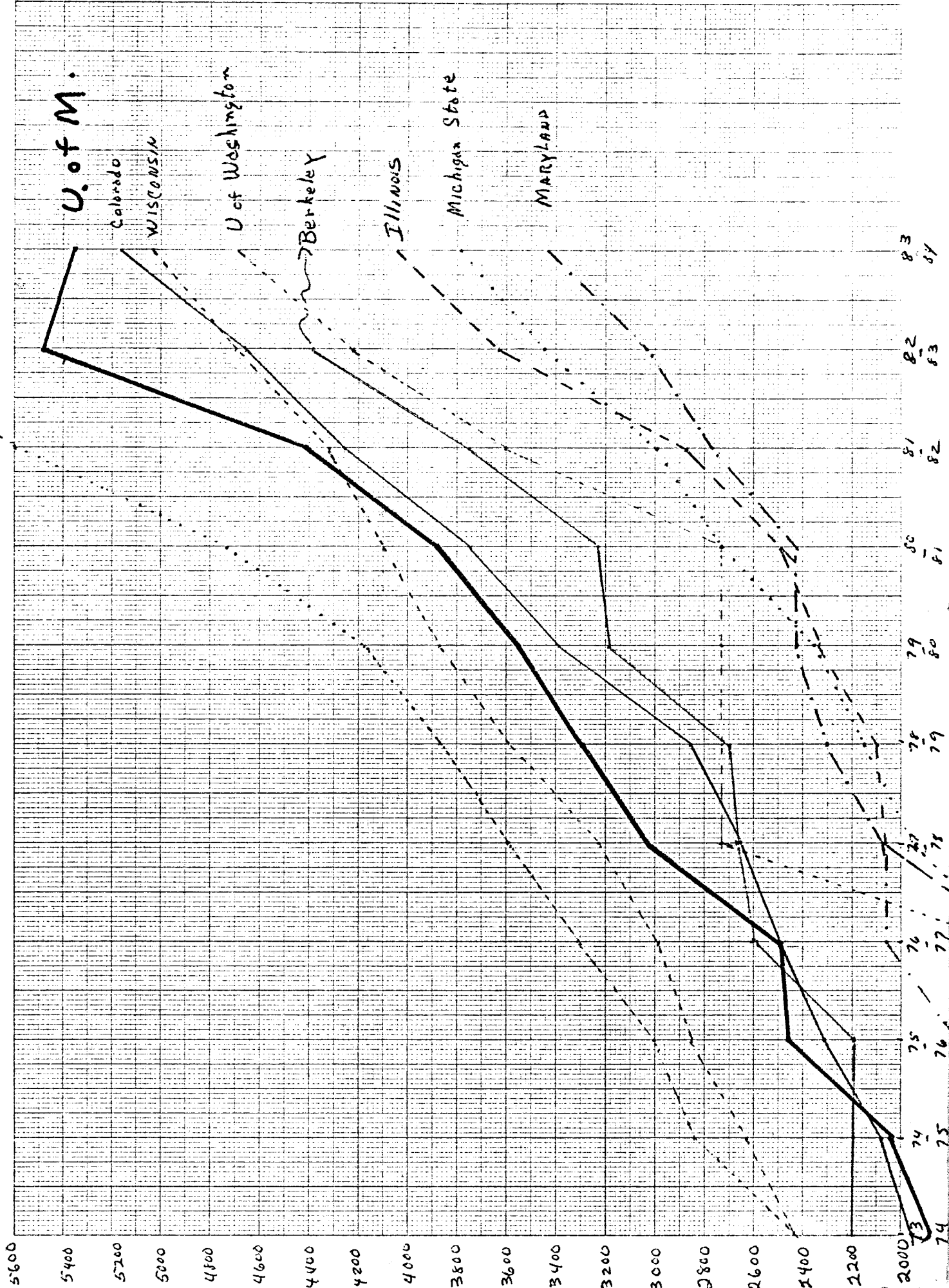
c: President C. Peter Magrath
Vice President Kenneth Keller

6941111219134

14-2 10 X 10 TO THE CENTIMETER 10 X 25 CM. KEUFFEL & ESSER CO. MADE IN U.S.A.

46 1513

GRAD SCHOOL NON RESIDENT



73 74 75 76 77 78 79 80 81 82 83 84



UNIVERSITY OF MINNESOTA

Office of the Vice President for Institutional Relations
232 Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455
(612) 373 2054

January 10, 1984

TO: Budget and Legislative Coordinating Committee

FROM: Stan Kegler *SK*

SUBJECT: Legislative Initiatives and 1984 Capital Request

1. The 1984 Capital Request booklet is available for inspection. Most of the requests are residual items you approved for the 1983 Request. The entries are in the priority order as you approved them at the Waseca meeting of the Board, and the dollar amounts reflect inflationary increases since the 1983 materials were assembled.

2. Music Facilities. (Action) Of the 1983 Appropriation of \$15,990,000, about \$4,500,00 is unneeded because of an extraordinarily favorable bid. The administration proposes that we seek a reappropriation in the 1984 Legislature as follows:

- a. Music Library underground in the courtyard space: about 14,000 gsf, at a cost of \$1,250,000.
- b. Music Performing Hall attached to the presently-designed building. About 41,600 gsf (950 seats), at a cost of \$3,750,000

If the Legislature reappropriates according to this request, it would very likely be accompanied by a rider requiring us to raise about \$475,000 in private funds.

3. Agronomy Facilities. (Action) Of the 1981 appropriation of \$17,300,000, approximately \$1,500,000 is available, due to favorable bids. (You will recall that we did not go to bids until spring of 1983, since the state did not sell bonds during its fiscal difficulties.) The administration proposes that we seek a reappropriation in the 1984 Legislature to erect a teaching greenhouse at a cost of \$850,000.

4. Recreational Sports/Intercollegiate Athletics Facilities.

(Action) Over the past three weeks several discussions have occurred with the Governor and his staff with respect to facilities improvements. While we are not certain which of these items the Governor will endorse, at some point we will need to seek legislative action.

I am attaching a copy of President Magrath's letter outlining these proposals. It is possible he may have a response by the time of the Committee of the Whole meeting on January 13.

5. Hormel Institute. (Information) Senator Tom Nelson (DFL-Austin) informs me that he intends to introduce a bill seeking funding to improve the Animal Holding Facility at the Hormel Institute. Although we do not yet have details on this very recent development (nor have we had an opportunity for review), I understand that the funds would be used to equip laboratories for two distinguished scientists who would bring large research grants to support themselves and a team of ten to twelve associates; the estimated costs would be in the area of \$225,000 to \$250,000.

6. Supplemental Appropriation. (Action) As I indicated in a letter to you late last week, it is possible that the Governor may recommend a supplementary appropriations bill. If he does, and if the Legislature accedes, we have several items for consideration. These are outlined in the second attachment.

SBK:glf
Enclosures (2)



UNIVERSITY OF MINNESOTA

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

January 5, 1984

The Honorable Rudy Perpich
Governor, State of Minnesota
130 State Capitol
St. Paul, Minnesota 55155

Dear Rudy:

In advance of our meeting tomorrow, I thought it would be useful for you to have this letter in hand.

Your interest in the University of Minnesota's athletic facilities needs and support for our commitment to build a first-class football program is greatly valued. Strengthening a "headline" program such as football can bring added pride to our State and, along with comparable efforts in the arts, enhance Minnesota's public relations, and stimulate sound commercial activity.

I know you also share my commitment to our fundamental educational programs, including the major high technology and other capital needs that are paramount in our 1984 Capital Request. It is critical that we work together to get these funded by the Legislature.

On November 11, 1983, I sent you my suggestions on our athletic needs. Now that we have attracted a nationally prominent first-class Football Coach, around whom major commitments can be built, I want to reiterate and amend my earlier suggestions and request your initiative to help us get the University's athletic programs (which serve and promote the entire State) set up to be first class and truly competitive.

I am outlining these needs and proposed actions, which I will review with the University Regents at their upcoming January 13 meeting.

NEED AND COST

PROPOSED ACTION

- | | |
|---|--|
| 1. <u>Facility to enclose football practice field and to build competitive strength and training and equipment and meeting rooms; \$3 million</u> | Governor to seek special State appropriation of \$1.5 million; and to request University and its athletic friends to raise \$1.5 million as a voluntary match through a special effort led by a prominent committee. |
| 2. <u>Williams Arena (basketball/hockey) improvements, including fire and safety; \$3.5 million</u> | Governor to seek full legislative funding, consistent with existing University request. |

3. Field House Renovation and Intra-mural and Recreational Sports Improvements; \$30 million for total package -- Field House serves needs of intercollegiate athletics. Students to pay \$7 million of costs via special fees, Men's Athletics revenues to finance Field House renovation. Governor to request \$1,320,000 from Legislature for planning this facility.
4. Bierman (Intercollegiate Athletics) office building improvements, primarily for coaches' offices and needed space expansion; \$1.6 million. Will be self-financed by revenues projected to flow into Men's Intercollegiate Athletics.
5. Increased operational funding for Women's Intercollegiate Athletics on the Twin Cities and the Coordinate Campuses, especially the University of Minnesota at Duluth -- needed to have first-class program and meet University's legal and moral obligations. State support reduces drain on tight operating budget in men's program. Governor to announce support for this, and to seek approximately \$300 to 500,000 increase for Women's Intercollegiate Athletics in 1985 Request.
6. Athletic facilities at UMD and Waseca -- we need \$2,087M for the outdoor portion of the UMD Recreational Sports and Physical Education facilities, \$363,000 in planning for a Waseca Recreational Sports and Physical Education addition; UMD planning money was appropriated in 1983. Governor to announce support for these needs in his Capital Request. (The ~~outdoor~~ outdoor portion of the UMD facility will be requested in 1985-87.)

These steps represent a combined shared effort by the State, the University, and its friends. In combination, they are manageable and modest and would generate excellent returns to Minnesota and overcome some critical problems in our total athletic programs. At the same time, they would demonstrate your personal commitment, and the State's endorsement, to creating quickly a nationally prestigious football program. In this connection, it would be most helpful if you would join me in asking that citizens committed to our football program work to raise privately \$1.5 million of the needed \$3 million to assure that we quickly put in place a first-class football facility.

I appreciate very much your continued support and enthusiasm for these and other significant University activities.

Cordially,

C. Peter Magrath
President

CPM:kb

cc: University of Minnesota Board of Regents
University Vice Presidents
University Provosts
Mr. Paul Giel, Director, Men's Intercollegiate Athletics
Mr. Duane A. Wilson, Secretary of the Board of Regents

DRAFT
SUMMARY DESCRIPTIONS, 1984 SESSION BUDGET REQUESTS
UNIVERSITY OF MINNESOTA
January 13, 1984

1. Civil Service Compensation Deficit \$ 3,823,355

The University is requesting additional funds for fiscal year 1985 to cover costs not appropriated for the Civil Service pay plan. No funding is requested for the deficit in fiscal year 1984. Some of the increased costs resulted from the application of the "comparable worth" adjustments to University classifications. Because of the different mix of classes between the State and the University, and the need to maintain comparability under the statutes, these costs for the University exceeded the 1.25% appropriated for the State. Other increases included across-the-board increases, progression increases, insurance rate increases, Social Security rate and base increases occurring 1/1/83 and 1/1/84, and the MSRS rate increase occurring 2/1/83, which was not included in the biennial budget base.

2. Faculty Retirement Reduction \$ 1,920,000

In December, 1982, in Special Session 3, the University's 1982-83 appropriations were reduced by \$1,920,000, representing a 2% employer reduction to the faculty retirement program. Before the 1983 Legislature adjourned, the law was changed, in effect refunding the reduction for the Minnesota State Retirement System, leaving the University's faculty retirement program as the only unreimbursed plan. This is a one-time request, and the University is currently carrying this amount as a deficit.

3. Faculty Compensation Deficit \$ 2,263,806

Funds requested would cover the additional costs of fringe benefits for faculty that were not provided by the appropriation for 5% increases in salaries and benefits for FY84 and FY85. For both years, fringe benefit costs exceeded the 5% appropriated, resulting in a reduction in the amount available for cash salary increases. Increased costs include the State Health Plan, Social Security rate and base changes, and the faculty retirement plan.

4. Sea Grant Program (Special State Appropriation) \$ 150,000

In 1984-85 the Minnesota Sea Grant Institute will apply for "Sea Grant College" status, which will lead to increased Federal funding and a corresponding increase in State matching funds required. Funds will be used to (1) support new research, such as studies to assist the development of markets for bulk commodities moving through the Port of Duluth, (2) improve Sea Grant Extension efforts by adding a Sea Grant Specialist in Marine Economics at UMD, and (3) increase efforts to train graduate students in the critical areas of Great Lakes fisheries, engineering, economics, and health sciences.

5. Compliance Costs, Minn. Employees Right to Know Act \$ 257,300

The Minnesota Employees Right to Know Act of 1983 makes the employer responsible for the training of all employees routinely exposed to specified hazardous substances. Funds are requested to plan and implement the University's program, developing employee and supervisor training programs, developing the computerized system to identify affected employees and maintain the training records required, and installing the computer hardware and software for training records and access to safety data sheets.

The legislation affects over 6000 University employees who must be trained to handle a wide variety of substances. Training must be completed prior to assignment of new employees, and training for current employees must be completed by July 1, 1984. Following initial training, further training is required on an annual basis and whenever the exposure risks of a particular employee change. The 1983 legislation was passed after the 1983-85 budget process had been completed, so there was not an opportunity to secure an appropriation for FY84 and FY85 expenditures that the law requires. This will be a recurring need in the Operations and Maintenance budget.

6. Research and Instruction in Microbiology (State Special) \$ 750,000

The Department of Microbiology is requesting funds to establish a two-year educational program leading to the Master of Science degree in Microbial Engineering. Thirty-five faculty from ten departments representing five colleges or institutes have agreed to serve on the graduate faculty of the program. Graduates will be knowledgeable in both basic and applied aspects of modern microbiology and will qualify for industrial jobs in the rapidly expanding areas of recombinant DNA and hybridoma-monooclonal antibody technology. It is estimated that there will be a need in the U.S. for 35,000 biotechnologists of this type by the year 2000. The M.S. program will be run in cooperation with the Institute for Advanced Studies in Biological Process Technology (College of Biological Sciences) and will include preceptorships with local biotechnology companies. The request includes recurring funds for the instructional program, fellowships for outstanding students, and research support for the Institute. Non-recurring funds (\$500,000) will provide both instructional and research-related equipment in the Microbiology Department and the Institute.

7. Supercomputer Institute (State Special) \$ 3,240,000

Pursuant to an initiative announced by Governor Perpich on November 22, 1983, the University requests funds to begin the planning and operations of a Minnesota Supercomputing Institute, to be located on the Twin Cities Campus and operated and managed by the University under the policy direction of a Board of Advisers appointed jointly by the Board of Regents and the Governor. The Institute will promote research on supercomputing and related subjects, make supercomputer services available to public agencies, educational institutions, and private organizations, and develop a cooperative network of Minnesota state agencies and higher education institutions to provide ready access to supercomputing and other computing

resources. The appropriation requested will cover the salaries of a Director and supporting staff to begin detailed planning of Institute programs during FY1985, and it will provide funds for full support of research computing by the University and all other state agencies and higher education institutions on the Cray computer currently operated by the University and a Cyber 205 provided by Control Data Corporation.

8. Agricultural Research (State Special) \$ 320,000

The University's earlier Agricultural Experiment Station requests for increases of \$400,000 in FY84 and \$1,000,000 in FY85 resulted in legislative appropriations of \$100,000 per year. Those funds have been allocated to the identified highest priority, animal health research in the College of Veterinary Medicine. The request proposed here represents the highest priorities of the programs originally requested for the current biennium, and they address agricultural/economic concerns of the State.

Molecular Biology of Economic Plants - \$90,000

The biotechnology exists to isolate and purify individual genes from crop plants, allowing scientists to improve crops by molecular means in the laboratory. Funds would support one faculty position, one technician, a half-time research assistant, and related expenses.

Vegetable Production & Processing in Southern Minnesota - \$90,000

Increased production of vegetables in Southern Minnesota offers significant economic development opportunities, both for the farmers and the communities dependent on agricultural production, processing, and distribution. When processed, the value added to the vegetable raw product is seven times the raw product value, the highest of any agricultural commodity. Funds would support one horticulture position at the Southern Experiment Station in Waseca, plus related support costs.

Forestry Utilization and Remanufacturing - \$90,000

Paper birch is the most under-utilized timber resource in Minnesota, characterized as a "weed specie" until about 1970. There are opportunities to turn this resource into an economic advantage to the State, as is now being done with aspen. Minnesota could gain greatly by remanufacturing structural particleboard panels into consumer products instead of shipping the product to out-of-state manufacturers. Birch can also be increased as a component of aspen structural panel products, but not until research on design criteria and performance is done. Funds would support one faculty position and support costs.

Animal Health Research - \$50,000

The Agricultural Experiment Station, the College of Veterinary Medicine, and the College of Agriculture have designed a major food animal health research program aimed at increasing our knowledge base on livestock and poultry diseases and the producers' use of animal health research as a means of enhancing productivity. A matching commitment of \$50,000 would be raised from livestock and poultry producers and related industries.

9. Second Language Acquisition (State Special) \$ 568,548

Minnesota, like the rest of the United States, has a well-documented, but inadequately addressed problem in second ("foreign") language instruction. While recognition of the problem has grown, few concrete steps have been taken toward finding solutions. The College of Liberal Arts is already recommending a strengthened language requirement for the B.A. and a language entrance requirement, and C.L.A. offers this four-part proposal as a start toward improved college preparatory and college-level instruction.

Language Laboratory With Microcomputers - \$271,000

Funds would develop language laboratory facilities with 35 microcomputers and support a coordinator and staff. The only facilities currently available to C.L.A. language students is a library listening center. Microcomputer materials are available for many languages, but the facilities and equipment are not.

Talented Youth Programs - \$118,951

Qualified high school students would take University credit courses during the regular academic year and in summer. Fifty scholarships would be available, and instruction would be available in both the commonly taught and lesser-taught languages.

Summer Intensive Courses in the Lesser-Taught Languages - \$127,200

Ten summer institutes would offer elementary, intermediate, and advanced courses for high-aptitude high school students, college-level students, and teachers in Chinese, Japanese, Russian, Arabic, Swedish, Norwegian, Dutch, Italian, Portugese, and Hebrew.

Summer Proficiency Workshop and Curricular Materials Development - \$51,397

Beginning in 1984, this workshop would train an initial group of 30 language teachers at all levels of instruction in the theories and techniques of the new ACTFL-ETS proficiency guidelines. Course guidelines and testing materials will also be developed, starting with French, German, and Spanish. Existing microcomputer instructional materials will be revised with an eye toward future use throughout Minnesota high schools and colleges.

10. Agricultural Extension Service EXTEND Network (State Special) \$361,350

In the 1981-83 biennium, the Minnesota Legislature provided initial funding for the development of a state-wide distributed computer-based information and communication system known as EXTEND. The system uses microcomputers in county extension and MAES specialists' offices, linked to the University's host computers. By June 30, 1984, the system will include 59 county offices, 7 area offices, and 43 St. Paul campus offices.

This request would complete the purchase of equipment and fund positions to continue the development of educational software, train faculty and clientele, operate the system, and provide for on-going maintenance of the equipment. It would provide 28 microcomputer units for campus and area offices, as well as 33 units for county offices, the latter involving 50% cost-sharing by the counties.

11. Biology Teachers Program (State Special) \$ 104,000

The request is to enable teachers from two- and four-year institutions and high schools (20 in the first year) to spend two months in the summer working with professors in the College of Biological Sciences. CBS faculty would provide brief synopses of research and teaching interests, so participants would be able to choose the faculty with whom they would be working. Each participant will be involved in the full range of teaching and research activities, reporting later on the impact of these activities his or her home institution. It is expected that the improved interactions among high school and college teachers will be long-lasting and broader in scope than the initial year's formal program. Funds would cover the first year, with comparable amounts needed in the future. The College sees strong likelihood that the program's popularity will merit continuation for many years.