UNIVERSITY OF MINNESOTA
TWIN CITIES

College of Education

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MINUTES
SENATE FINANCE COMMITTEE

Meeting of February 6, 1986
3:05 - 4:15 p.m.
238 Morrill Hall

Members present: Gerald Bauer, Jim Burak (sub. for Kevin Koch), Charles Campbell, Paul Gassman, Linda Hanson, Harry Hogenkamp, Wendell Johnson, Sally Jorgensen, Gerald Klement, Ronald Kubik, Ian Maitland (sub. for William Hanson), Jack Merwin (Chair), Frank Sorauf, W. Donald Spring, Patricia Thomas.

Guests: Mary Davey, Richard Heydinger, Sue Klemond (Daily), Irwin Rubenstein (SCC), Bruce Williams (SCC).

1. Libraries' acquisitions budget: disposition of Library Committee resolution.

The Senate Library Committee had submitted to the Senate Consultative Committee, which had then forwarded to SFC, a resolution requesting an increase in the 1985-86 Twin Cities Campus Libraries acquisitions budget to restore it to the level the library administration and SLC believe essential to remain faithful to the commitment to acquisitions parity with the four target institutions. It had been the intent of the Library and Consultative Committees that the resolution appear in the agenda for the February 20 Senate meeting.

Professor Merwin reported to SFC on President Keller's February 5 statements to a sub-group of Finance Committee members plus Professor Brian Job, SLC chair. The president had declared that the University maintained its commitment to achieving and maintaining parity with the target four, and had outlined the numerous steps leading to the Libraries' current budget. The Management Committee had very recently restored some $51,000 which had been erroneously trimmed from that budget by applying a 1.7% inflation rate which had been intended for other SE&E budgets but specifically not for the Libraries. The president had stated that he did not believe the rate of inflation for library materials was as high as 8%, but that if the Libraries supplied him with the data verifying that rate the Management Committee would internally reallocate the balance of the requested funds.

Following that conversation, Professor Job had told Professor Merwin that the Library Committee could accept that commitment and support the withdrawal of the resolution from the Senate agenda. SLC would do so with the understanding that if the additional funds did not go to the Libraries, SLC might at a later date take its resolution to the Senate.

Professor Merwin further reported that the chairs of the Senate Finance and Senate Consultative Committees, Professors Stuthman and himself, proposed to write a letter to the president stating their committees' understanding of his commitment and the temporary withdrawal of the resolution from the Senate.

Senate Finance Committee members had no objection to this way of proceeding.

Professor Sorauf pointed out that taken collectively, all the information presented with regard to the acquisitions budget issue indicates that the University is apparently not trying to catch up with the collections of the target schools, but only with their rate of acquisition. Because this University fell so far behind in acquisitions in the 1970's, he said, under the current policy its collections will never catch up.

2. The University budget: coping with the state's disallocation.

Five one-page documents were distributed:

- Retrenchment Plan 1986
- Five Year Retrenchment Plan
- Tuition Increase Options for 1986-87
- Tuition Increase Options for 1986-87 Including Additional .75% for State Retrenchment
- Footnotes (to the two tuition tables).

Mr. Heydinger told SFC there would be a much firmer set of figures in May, after the legislative session. The borrowing plan is based on the Governor's recommendation of a University cut of $17.6 million over the remainder of the biennium; the legislature may distribute the cuts differently among the agencies and institutions.

Dr. Heydinger described the broad retrenchment plan as shown in the hand-out. Of the $17,623,000 approximately $4 million would be taken at once (from the County Papers Special, from four other state specials, and from six O&M budgets). The University would then have something over $15 million to repay over a five-year period as opposed to cutting $12,639,000 now. Duluth has chosen to take its entire cut within the current biennium.

The tuition surcharge of 0.75% per year would not put the 1986-87 tuition increase over 5.5%. The averate tuition increase, with the surcharge, which central administration will recommend to the Regents, would be 4.47% (under $5 per quarter per student). Faculty and civil service salary increases would be reduced by 0.46% during the repayment period, e.g., next year's faculty salary increase, instead of being 5.5%, would be 5.04%. The changes would apply from FY1986 through FY1991. The revenue from the tuition surcharge would come to half the amount yielded by the salary increase reduction.

State officials have said that under the borrowing plan the state would return to the University's base anything the University takes out in the current fiscal year.

Ms. Hanson pointed out that the tuition tables indicate that units whose tuition would be raised at the average rate include some where students already pay well over 33% of their cost of instruction as well as units where students pay well under that 33%. The Finance Committee had been given to understand that central administration was attempting to move most tuition closer to the 33%.

In response to a question, Dr. Heydinger said state specials were not all cut at the same rate. The size of the cuts, which ranged from 5% to 10%, was worked out by each vice president with the faculty involved, and took into consideration their current budgets.

The plan is to go to the Board of Regents for information on February 14 and for action in March.

Professor Campbell inquired about the distribution of cuts among the Academic Affairs units. Dr. Heydinger said CLA, Education, CEE and Law are the four units Vice President Murthy has been working with to take the cuts. The overall aim is to protect the University's priorities, in those units and throughout the University.

Professor Sorauf asked what was the basis for including and excluding colleges from cuts. Dr. Heydinger replied that Vice President Murthy could answer more precisely, but that he understood the elements to include units' progress toward their 1983 retrenchment targets, and the flexibility in their budgets.

Dr. Heydinger asked for an indication from the Finance Committee of their preference between the two approaches to absorbing the cuts. The SFC members indicated their clear agreement with the plan for borrowing the major part of the money to be repaid over five years, while leaving University investments in place at about an 8% return. Committee sees this as a prudent financial move which also leaves the University's programs and C_tF thrust essentially in place.

Dr. Heydinger agreed to the committee's request to report to the chair on a comparison of tuition in the University's professional schools with tuition at their peer units elsewhere. He will also provide an update on the projected percentage of cost of living adjustment for the next year.

Professor Spring congratulated the committee on the fact that in the plan prepared for the Regents programmatic retrenchment has been reduced from the earlier proposal, consistent with SFC's recommendation to the president.

4. Financing the establishment of interdisciplinary programs, especially those which transsect college lines.

Professor Hogenkamp commented that interdisciplinary costs simply come out of the hide of some department. He and Professor Gassman questioned whether the University had any clear definition of an "interdisciplinary program."

Professor Sorauf said that while the description is vague, such programs fall basically into two categories: those within a single college, in which case college funds would be used for support; and those in more than one college, in which case the Academic Vice President would be assumed responsible for making funding decisions.

Professor Rubenstein pointed out that many new areas in science open up that do not fit the existing disciplinary divisions. The University has responded very poorly in certain cases (e.g., Biotechnology), he said.

Professor Hogenkamp insisted there must be an infusion of new money to establish a new program. Professor Gassman contended that it doesn't make sense to artificially constitute "centers" and, moreover, when a group of faculty from several units want to get together and work it is not hard for them to find the money.

Professor Sorauf acknowledged that research funding follows the principal investigator. For faculty ready to teach in other units, however, financing is more problematical. Professor Hogenkamp commented that in principle there should be funding for interdisciplinary programs but in practice this University has done it very poorly.

The Committee agreed it would like to discuss the topic with the Academic Vice President to have the existing programs identified and learn something about their funding.

Professor Jorgensen stated that the faculty of an interdisciplinary program should behave similarly to a college faculty: collectively they should make their case for funding to the Academic Vice President, who should in turn demonstrate to the legislature that it is an important new program that would need new money.

The meeting adjourned at 4:15 p.m.

Meredith Poppele,
Recorder