

Memo

Budget Committee, Academic Senate

To: Budget Committee

From: Michael J. McIntyre, Chair

Subject: President Noren's Budget Memo of July 22 (received July 27)

Date: July 27, 2010

President Noren has presented a memo to the Board of Governors (BOG) that addresses certain issues dealing with the FY 2011 budget. That memo reveals a sharp disagreement with the Academic Senate on several key issues and a transparent attempt to trivialize the Student Resolution presented to the BOG on June 23, 2010. The Budget Committee has engaged in extensive discussions with members of the Administration on these issues and apparently had found substantial common ground — only to have President Noren reject all of the compromise positions. Under the circumstances, the Budget Committee recommends that the BOG decline to approve the proposed FY 2011 budget at its August 4, 2010, meeting, leaving the matter for its meeting in September.

I believe that all of the outstanding issues can be resolved without discord if the BOG defers the adoption of the budget until September. I set forth below a brief discussion of the issues discussed in President Noren's memo, with references to more detailed documents approved by the Budget Committee.

1. New Faculty Positions

The president has rejected the position taken by this committee that the special two percent tuition increase imposed only on undergraduate students beginning in the Spring/Summer Semester be used to support undergraduate education. In particular, we recommend that the funds be used to replace some of the part-time faculty members who currently teach the large undergraduate General Education (GenEd) courses. We believe that the use of full-time faculty in those courses will improve the quality of undergraduate education and will help raise the University's low graduation rate. The Administration's proposal does not guarantee that even one new faculty position would be used for that purpose.

The Deans apparently support the president's position that the allocation of new faculty positions be left primarily to the Deans. That position is not a great surprise. What the Deans apparently do not realize, however, is that the Administration has taken the position that the special two-percent tuition increase imposed on undergraduate students cannot be used for hiring new faculty. That amount, apparently, is to be spent at the discretion of the president, outside of the normal

budget process. Whether the Deans would support the president publicly on this issue is unclear. They are quite unlikely to do so privately.

The committee's position on the allocation of faculty positions is set forth in some detail in two memos. The first provides a detailed rationale for using those positions to support undergraduate education — in particular, for using the positions to replace some part-time faculty teaching the large GenEd undergraduate courses with tenured/tenure-track faculty. (See *Faculty Hiring Proposal for FY 2011*, July 22, 2010.)

The second document describes the attempt of the Administration, for reasons that appear to be nonsensical, to refuse to provide in the FY 2011 budget for the hiring of new faculty with the permanent funds generated by the special two percent tuition increase imposed only on undergraduate students. This action is inconsistent with past budget practices at this University and with sound budget principles. (See *Memo: Budget Conference with Rob Kohrman*, July 22, 2010.)

As we have made clear on repeated occasions, the committee believes that hiring tenured/tenure-track faculty to replace some part-time faculty will enhance not only the University's critical Teaching mission but also its many other missions, particularly its Research and Service missions. In contrast, the Administration's proposal almost certainly would short-change the Teaching mission.

Representatives of the Budget Committee have engaged in repeated and fruitless discussions with Administration officials over the need to enhance undergraduate education. There seemed to be full agreement on the major challenges facing our undergraduate program and on the need for additional tenured/tenure-track faculty to help meet those challenges. The chair of the Budget Committee reached a working agreement with the provost as a result of negotiations undertaken at the specific request of the president. The president vetoed that working agreement, however, because it contained guarantees that a reasonable portion of any new faculty positions would be used to replace some of the part-time faculty teaching the large GenEd undergraduate courses. The president's position is perfectly clear. In his view, improving undergraduate education is desirable, but it is not a high budget priority. He demands "flexibility" — the flexibility to provide minimal support in the budget for undergraduate education.

2. Vacant Position Policy

The Budget Committee supports the "vacant position policy" contained in the revised "Policy and Procedures" section of the FY 2010 Budget Book. Our endorsement is unsurprising in that this committee drafted that policy, which, with insubstantial changes, has been supported by the Deans, the President's Cabinet, and other bodies within the University community.

What is remarkable about President Noren's memo, and the Deans' memo in support, is that no mention is made in either document of the radical change made in the current version from the version that appeared in the June version of the budget book. The June version contained a proposal for giving the president nearly unbridled authority to move the funding for unfilled positions to a central account and to use the captured funds for unspecified projects at the discretion of the Administration. The Budget Committee objected in the strongest terms to the June document, and the Policy Committee endorsed the Budget Committee's position unanimously. Within hours of the Policy

Committee's action, the Administration had reversed its position, presumably because the president found no support within the University for his position and near universal support for the policy first articulated by the Budget Committee.

One might conclude that no harm was done by the president's actions in rejecting the consensus position on the vacant position policy and then accepting it under pressure. In fact, a good deal of harm was done. The faculty was forced to organize opposition to the president, which is a time-consuming operation. And the general confidence in the president's leadership was given a serious blow.

3. Student Resolution and Requests

The Student Senate presented a resolution to the BOG at its June 23, 2010, meeting. Some of the issues included in that resolution did not deal with budget matters. The Budget Committee was aware of the student concerns and had supported its three specific budget recommendations: (1) substantial new tenured/tenure-track faculty, (2) improved financial aid, and (3) funding for extended library hours. The second item had been supported by the Administration and was included in the June version of the budget book. The third item required only a modest amount of money and was not controversial. From a budget perspective, the most important of the three recommendations was the recommendation for additional tenured/tenure-track faculty.

The President's Memo quotes selectively from the Student Resolution. It simply omits the first sentence of the core paragraph, which states as follows:

Therefore, Be It Resolved The Student Senate supports the proposed 5.4% tuition increase, so long as it is used for increasing need-based and merit-based financial aid and hiring of at least twenty-two additional full time faculty.

That is, the recommendation of hiring additional tenured/tenure-track faculty is central to the student resolution. So also is the recommendation for improved financial aid. Yet, the president omits reference to these major items in his selective quotation from the Student Resolution, leaving only the items with little or no budget implications.

At the July 12, 2010, meeting of the Budget Committee, the budget director took the position that the students supported the hiring of additional faculty but had not expressed a view as to whether the new faculty would be supporting undergraduate education. (See Minutes of the July 12, 2010 Meeting for further details.) I noted that the student representative on the BOG's Budget & Finance Committee has specifically stated that the student position was that a reasonable portion of the new faculty would be teaching undergraduate courses. The transcript shows that the student representative made the following statement to the BOG:

I would just like to go on record saying that the student body supports this 4.4% increase as long as allowances are made for increasing need-based, merit-based financial aid, *additional full-time faculty with a reasonable amount allocated to undergraduate courses,* and extending the library hours including the 24-hour section. (Emphasis added.)

4. Parking Adjustments

Members of the Budget Committee had several meetings with representatives of the Administration to try to fashion a consensus position on Parking that would best advance the interests of the University. No commitments were made by either side. The discussions were informal and appeared to be productive, as agreement seemed to be forming on three key points:

1. The "business plan" that the Administration had prepared at the request of the BOG under a tight deadline had not been vetted with the Academic Senate and was inadequate in several respects. In particular, there was inadequate planning for routine maintenance, and the financial plan was mostly a list of data that needed to be collected. Throughout our discussions, that plan, presented to the BOG on May 5, 2010, was characterized as a "draft business plan".

2. A small joint committee with representatives from the Academic Senate and the Administration should be formed to rework the draft business plan in the Fall 2010 semester.

3. At the urging of the Academic Senate's representative on the Parking Advisory Committee, the Administration commissioned Walker Parking Consultants, an outside engineering firm, to prepare a report on the condition of the University's parking facilities. Although the Walker Report recommended major and costly repairs and improvements in the parking facilities, it did not make any recommendations, aside from the work already begun on Parking Structure #1, that needed to be addressed before January 2011. Thus, there was time for the suggested joint committee to do its work without being faced with a *fait accompli*.

No agreement was reached on a recommendation for a parking fee increase. The Budget Committee had agreed to support an increase of \$0.25 for Fall 2010 if certain modest conditions were met. I had some private discussions with a representative of the Administration in which some alternatives were discussed informally, such as an endorsement by the Academic Senate of a \$0.50 increase beginning in Winter 2011. I made clear that I did not believe the Academic Senate would support the \$0.50 increase proposed in the Administration's June budget book. I was told that the matter was not closed but that we might have to agree to disagree on this issue.

The revised Budget Book makes no changes in the recommendations contained in the June budget book. It refers to the draft business plan as if it was a final plan, although no changes have been made in the draft plan since its submission to the BOG for its May 5, 2010, meeting. The President's Memo suggests that a joint committee might be formed, but it does not suggest what its agenda might be. In addition, it indicates that major spending programs will be recommended to the BOG in the Fall of 2010, before the proposed joint committee has had an opportunity to revise the draft report.

The Budget Committee continues its opposition to further spending on parking facilities, aside from emergency repairs needed to protect the safety of patrons, until a sensible plan for routine maintenance has been adopted. At a meeting of representatives of the Budget Committee and various parking administrators, it became clear that the parking people believed the University's Facilities Planning & Management was in charge of maintenance of the parking facilities, whereas the associate vice president of that division claimed no such responsibility. It also was clear that the parking

administrators were in denial about the highly critical assessment contained in the Walker Report of the performance of the parking administrators with respect to routine maintenance. That report made clear that a substantial reason for the deterioration of the parking facilities was inadequate maintenance.

The draft business plan hardly addresses the need for better routine maintenance. On page 8 of that document, there are three paragraphs under the heading "Recurring Regular Maintenance". Two of the paragraphs deal with funding. Only the first paragraph deals with management. Here is the complete text:

As identified above, a historical sensitivity to increases in parking rates has resulted in an inability to meet operating and maintenance needs. As a result, regular and necessary maintenance has been deferred. In order to adequately maintain the parking structures and lots, a proactive schedule of recurring maintenance must be implemented. Also, an annual walkthrough of all structures will be completed to identify repairs or maintenance.

That is the entire plan for maintenance — a weak attempt to blame lack of funds for its management failures and a promise to do a "walkthrough" in order to "identify repairs or maintenance" [sic]. I really do not understand how anyone could conclude that the Administration has taken the need for improved routine maintenance seriously. The Walker Report is devastating. For example, it claims, with supporting pictures, that the persons removing snow from the top floor of the parking structures have scrapped off the protective coating on the cement — a coating apparently necessary to prevent water from destroying the reinforced concrete. The Budget Committee claims no expertise in the proper maintenance of parking structures. But we can read the Engineers Report and know that business as usual is not satisfactory.

The Budget Committee is also concerned that the Administration would spend large sums of money on repairs of parking facilities without adequate usage data. It has targeted about \$24 million for the repair of Parking Structure #1, yet no data are available on the usage of the structure, nor are alternatives considered that could result in savings of several million dollars.

The Budget Committee is working on a concrete proposal for addressing the budget aspects of Parking. We hope that this proposal, if accepted by the Administration, would facilitate the development of a sound business plan for management of our parking facilities for many years. We see little point, however, in presenting this proposal at this time, given that the Administration already has rejected our advice on parking so thoroughly in its budget proposals.