

Minutes, Budget Committee of Academic Senate

Meeting of April 30, 2002 (as approved June 17, 2002)

Present: Michael McIntyre (chair), Stephen Calkins, Marc Cogan, Ravi Dhar, Charles Elder, Diane Gebard*, Marlyne Kilbey, Louis Romano, Charles Parrish, Vanessa Rose*, William Volz (late w/ notice), James Woodyard* (late w/ notice).

Absent with Notice: Linea Rydstedt, Jeannette Poindexter, Scott Ransom.

Absent w/o Notice: James Kaltenbach, John Ofenstein, Lucia Schuger, William Slater.

*Liaison

1. The meeting convened at 1:04 p.m. The minutes of the meeting of March 18, 2002, were approved without amendment. The chair announced that he had not received the list of chairs of the unit budget committees that the Provost's office has promised to provide.
2. *Skillman Center.* Professors Dhar, Elder, and Volz served as a subcommittee to prepare a brief report for the committee on the Skillman Center. The report recommended renewal of the center, and the committee voted without opposition to support that recommendation. The chair was asked to make the necessary modifications in the subcommittee report to make it the report of the committee and to submit the report, as revised, to the Policy Committee. A copy of the final report is posted on the website of the committee.
3. *Institute for Learning and Performance Improvement.* Professors Calkins, McIntyre, and Parrish served as a subcommittee to examine the materials on the proposed Institute for Learning and Performance Improvement. Their report was circulated at the meeting. After a brief discussion, the committee voted without objection to adopt the report of the subcommittee and to recommend a three-year provisional charter for the institute. The chair was asked to make the necessary modifications in the subcommittee report to make it the report of the committee and to submit the report, as revised, to the Policy Committee. A copy of the final report is posted on the website of the committee.
4. *BOG Materials.* Budget Director Vanessa Rose reviewed with the committee the various items going to the Board of Governors at its meeting of May 1. The main item of attention was the proposed tuition increase of 8.1 percent in the Law School and the School of Medicine. The increase is limited to 3.0 percent for out-of-state tuition at the law school. Some members noted that the choice of peer institutions used in justifying the tuition increase in the law school is inappropriate for at least two reasons. First, the law school does not compete for students with any of those schools, and second, all of those schools are ranked higher nationally than the law school, and several are elite schools. It was also noted that even the 3.0 percent increase of out-of-state tuition for the law school was inappropriate because the law school's out-of-state tuition is already too high to be competitive.

As part of the justification for the tuition increase, the report to the BOG indicated that the preliminary budget projections suggested a projected increase in expenditures of

\$24 million and a \$2 million increase in revenue (aside from possible tuition increases), leaving a gap of \$22 million. Several members expressed grave doubts about the accuracy of that projection, one member characterized it as an “extraordinarily rough number.” Several members indicated that the estimate might be high by more than \$10 million. Ms. Rose did not have detailed information available to support the projections and stressed that the numbers were only preliminary. She emphasized, however, that a large part of revenues (the State appropriation) is fixed and that a large part of expenditures (salaries and fringe benefits) will increase. Various members of the committee noted that they understood the need for a substantial tuition increase. They simply felt that the very high estimate of expenditure increases was not needed to justify the increase and that its inclusion in the report to the BOG gave it an appearance of accuracy that its very preliminary nature did not justify.

Some members expressed concern about the lack of a coherent tuition policy for the university. They felt that the current proposals for a tuition increase are driven by expenditure considerations and not by a general tuition policy. They suggested that the university should map out a general strategy for tuition that would show how the revenue for future tuition increases would be spent. Without such a policy, there was a concern that tuition increases would be used merely to fulfill short-term demands for funds.

One member noted that the proposed tuition increase seemed to be based partly on market considerations and partly on “need” considerations. The member suggested that these two criteria are typically in conflict — that market considerations put a ceiling on tuition increases without regard to needs.

Many members reiterated the long-standing view of the committee that the university needs to raise tuition to a level needed to provide students with a first-class education. There appeared to be a consensus on the committee that a substantial tuition increase is inevitable, given the decision of the State to provide no additional funds to the university. It was felt, however, that the case for a tuition increase should be made on the basis of reliable data and after appropriate review and consultation. Many committee members indicated that they did not believe that the mere announcement of the university’s decision to propose a tuition increase to the BOG constitutes consultation.

Some members felt that the controversial nature of the budget information being presented to the BOG might create an unfavorable environment for discussing tuition issues at the June meeting. Some members were concerned about a “crystallization” of the administration’s \$22 million shortfall number, which they felt the administration may be advancing as part of its strategy for the upcoming negotiations with the AAUP-AFT. Other members felt that it was premature to decide on one part of the university’s tuition policy in isolation from the more general issue. One member argued that law school and medical school students do not have any special need for early warning about tuition — that all students need to arrange loans and scholarships for the coming year. Another member noted, however, that the medical school and law school students must register and pay their tuition early, in June for medical students and July for law students. Still other members felt that it was premature to deal with tuition issues when the Budget Review Committee, which is charged with making recommendations to the President on all budget

matters, has not even met. In light of the above reasons, the following motion was made and seconded:

That the Budget Committee recommends to the Administration that it put off the issue of an increase in tuition for the law school and the school of medicine until the June meeting of the Board of Governors, when the proposal could be presented as part of the university's combined recommendations on budget and tuition policy.

The motion passed without opposition.

The committee then turned to a discussion of the proposed budget increase for undergraduate housing. One member indicated that it was premature to move to phase II of the housing project without an evaluation of the success or failure of phase I. He indicated that the Policy Committee has attempted to obtain information on the costs associated with current housing and had been unsuccessful. He also indicated that the Policy Committee had not been given reports on the occupancy rates of the existing housing. The chair indicated that the costs for existing housing was not a proper item for discussion, as the evaluation of the current housing program was not on the agenda of the BOG. Only issues relating to the appropriateness of investment in additional housing were properly before the body.

One member indicated that the Administration has been suggesting that it is not concerned about the demand for new housing — that it is confident that the demand is substantial. Another member noted that there is not adequate data to support that viewpoint. Many members expressed their general support for the undergraduate housing project and suggested that some risks are unavoidable. One member noted that the university lost out to regional colleges over the past decade due to the lack of student housing and that doing nothing about housing presents risks as well. Another member noted that risk taking is warranted, but it is not an excuse for not reviewing available data. In response to the above discussion, the following motion was made and seconded:

That the Budget Committee requests the Policy Committee to ask the Administration for recent data on occupancy rates over the past two years for the present university housing stock and for data on new applications for university housing.

The motion passed without opposition.

5. *New Business.* One member indicated that a new system has been implemented for raising funds from Alumni and that reports he had heard suggested it was not working well in his department and perhaps in other departments and colleges. He expressed a concern that departments that had come to depend on alumni giving would be caught short. Over the past year or so, the university has contracted with a company to make phone calls and other solicitations to prospective donors. This system replaced a more informal system run in the departments with the support of faculty members. After some discussion, the following motion was made and seconded:

That the Budget Committee expresses its concern to the Policy Committee about the informal reports that the new fund-raising system is not working successfully and requests that the Policy Committee ask for data on the performance of the new system in the various departments and colleges from the Senior Vice President for Advancement.

The motion passed without opposition.

Note: After the meeting, the chair checked with the assistant dean for development at the law school. The company in question is IDC, and the law school experience has been positive.

6. The meeting adjourned at 2:50 p.m.

By Michael J. McIntyre