

Minutes, Budget Committee of Academic Senate

Meeting of May 23, 2008 (as approved June 16, 2008)

Present: Michael McIntyre (chair), Charles Elder, Richard Elling, Rob Kohrman*, Winston Koo, Charles Parrish*, Frederic Pearson, Robert Ross, Linea Rydstedt, Assia Shisheva, Lothar Spang, and James Woodyard.

Absent with Notice: Donald DeGracia.

Absent without Notice: Lou Romano and William Volz.

Invited guests: Nancy Barrett, Provost; John L. Davis, Vice President for Finance & Facilities Management, Robert Harris, Director of Academic Administration, and Seymour Wolfson, President of Academic Senate.

*Liaison

1. The meeting convened at 11:02 a.m. The minutes of the meeting of March 17, 2008, were approved without objection.
2. *Priorities for FY 2009 Budget.* The only item on the agenda was a discussion of the priorities of the Budget Committee for spending of any discretionary moneys that may be available for FY 2009. The Provost and the Budget Director had indicated to the chair that they would like to get some input from faculty representatives before the Administration formulated tuition options that will be presented to the Board of Governors for discussion at its June 18 meeting.

The discussion began with questions about the expected revenues. Provost Barrett indicated that funding from the state was uncertain. The Governor has recommended a 3.17% increase for the University, whereas the Senate had proposed a 3% increase and the House a 2.7% increase. Unfortunately, state revenues are running behind projections, so it is not clear whether the state will have the money to provide even the lowest of the increases. In any event, even the Governor's recommendation is for no significant increase after adjusting for inflation.

The Provost also noted several other reasons for caution in projecting any increase in University revenues:

- The new contract with part-time faculty will require additional funding, roughly estimated at around \$2 million over the next 4 years, with around \$1.5 million coming in FY 2009.
- There seems to be growing pressure for tuition restraint. The Budget Director estimates that a 1% increase in tuition amounts to around \$1.7 million in additional revenue.

- Two new buildings are coming on line, which will require budget amounts for operating costs and maintenance. The Budget Director estimated those costs at roughly \$400,000.

Notwithstanding the reasons for caution, there are also reasons for believing that the serious budget problems of last year will not be repeated. Those include the following:

- Enrollment seems to be trending up. Although it is too early to give an accurate estimate of enrollment, it appears at the present time that graduate credit hours will be up a little and undergraduate enrollment will be up by around 1%. The chair guessed that a 1% increase in undergraduate enrollment would bring in around \$2 million in additional revenues.
- The large drop (\$11 million) last year in Indirect Cost Recovery funds below the budget estimate is not going to occur. The current estimate is that ICR funds will go up by around \$1 million over the budgeted amount. It was noted that the budgeted amount for FY 2008 was a lot less than the amount budgeted for FY 2007.
- There will be no repeat of the move to provide a permanent budget for activities previously funded out of year-end balances.

The committee then discussed spending priorities. One member suggested that a goal should be to provide the schools and colleges with enough new money to undo the cuts suffered last year. The cuts to the academic side were a little under \$7 million (out of total cuts of \$9.1 million), but \$1.2 million was reallocated to the Schools and Colleges. Additional money was provided for faculty lines, graduate assistants and academic support as part of the January, 2008, budget reallocation process. The Administration was unclear as to what the total cut to the academic side was, but it appears, roughly to be a little over \$2 million.

The chair suggested that the University needed to give greater attention to undergraduate education, both in terms of more full-time faculty and better facilities. He noted that the University was in competition with regional colleges that were spending more per student on faculty and had significantly better facilities. Several other members expressed support for improving undergraduate education. It was noted that the University has increased its revenues as a result of growth in undergraduate enrollment but has not put very much of that money back into undergraduate programs, resulting in a reduction in spending per student.

The committee discussed a range of additional issues, including problems of retention. It was suggested that additional funding for faculty teaching undergraduate students might be helpful in improving the poor retention rate of the University. It was noted, however, that greater care in admissions may also be necessary to deal with the retention problem. The Provost noted that she expects a report on retention from a faculty committee to be submitted shortly. One member

suggested that it would be useful for the Administration to prepare a document showing the amounts currently being spent on retention.

Several members gave support for the enhancement program operated out of the provost's office. They noted that the program focused primarily on Ph.D. programs and other graduate programs but that it also provided significant benefits to undergraduate teaching in some departments. Provost Barrett indicated that the program had operated for four years and that she had promised the deans when the program started that she envisioned it lasting at least five years. She estimated that a minimum of \$500,000 would be needed to continue the program.

A general consensus emerged that restoring faculty lines and making up for faculty lines that have been cannibalized to cover general operating expenses was a top priority. One area of concern was the decline in per student spending for undergraduates. Another was the need to continue the successful enhancement program. It was also noted that many units suffered losses in operating expenses, which should be restored. Many members also expressed concern for the need to address the drop in spending for research.

After discussion, the following motion was made and seconded and adopted by voice vote without objection:

That the Budget Committee recommends that the Administration give a high priority in the allocation of new revenues to providing additional faculty lines, additional graduate assistants, and additional advisors, with a major focus on undergraduate education and on continuing the provost's enhancement program.

After adopting the above motion, the committee discussed the need for support for research and for greater accountability in the Research Division. Several members expressed concern in the decline in funded grants, due in significant part to funding reductions at the federal level. They suggested that the need was for startup funds, matching funds, bridge funds, and research faculty retention funds. Provost Barrett noted that the University recently lost a faculty member who was promised setup money of \$1.4 million, which the University was unable to match. The chair noted that funds have been provided for these purposes in the past but that a significant part of the money provided has been used for other purposes within the Research Division.

After further discussion, the following motion was made and seconded and adopted by a vote of 7 yes, 1 no:

That the Administration consider providing additional support for research, above the level in the FY 2008 budget, in particular by providing additional

support for startup funds, matching funds, bridge funds, and funds for retention of research faculty.

3. *Adjournment.* The committee adjourned at 12:14 p.m.

Michael J. McIntyre