

## **Minutes, Budget Committee of Academic Senate**

### **Meeting of July 29, 2010 (as approved September 13, 2010)**

*Present:* Michael McIntyre (chair), Donald DeGracia, Charles Elder, Judy Field, Winston Koo, Rita Kumar, Rob Kohrman\*, Charles Parrish, Louis Romano, Linea Rydstedt, Assia Shisheva, William Volz, James Woodyard.

*Absent with Notice:* Aleksandar Popadic (sabbatical).

*Absence without Notice:* Richard Needleman\*.

*Invited guest:* Phyllis Vroom, Acting Provost; Anthony Leo, Student Representative to the Budget & Finance Committee of the Board of Governors.

\*Liaison

1. The meeting began at 10:05 a.m. The minutes of the meeting of July 12, 2010, were approved without objection. The chair introduced Mr. Anthony Leo, the student representative to the Budget & Finance Committee of the Board of Governors (BOG), and thanked him for attending.
2. *Meeting with Provost.* The chair informed the committee that he and Prof. Romano had met just prior to the meeting with Acting Provost Vroom and Budget Director Kohrman to see if there was any way to reach agreement on several contentious budget issues relating to the hiring of new faculty. The chair and Prof. Romano indicated that progress had been made and that the Provost would present her views on the matter to the committee for its consideration.
3. *Parking.* The committee discussed its concerns about the lack of a coherent plan to deal with routine maintenance of the University's parking facilities. The committee has expressed the view in the past that the Administration should not be moving forward with new parking projects until it has a sound business plan that properly addresses its chronic maintenance problem. One member noted that the report prepared by Walker Parking Consultants ("Walker Report"), an outside engineering firm hired by the Administration at the urging of Prof. Woodyard to examine the parking structures, had made a devastating assessment of the Administration's failure to perform routine maintenance. [Note: The Walker Report, at page 8, states: "Only a minor amount of repair and maintenance work have been completed on the University's parking structures in the last 10 years except for PS #1."]

Another member suggested that the committee should "hold the Administration's feet to the fire" until the maintenance problem is addressed. The chair noted that the draft business plan prepared by the Administration and submitted to the BOG at its May 5, 2010, meeting barely addressed the maintenance problem even though the BOG's Budget & Finance Committee has specifically requested a plan to address that problem. He referred to page 8 of that report, which states in full:

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 of the Administration 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”.

The committee discussed a memorandum prepared by the chair titled “Tentative, Draft Parking Proposal” and dated July 28, 2010. The memo suggested that the committee might support a \$0.50 parking fee increase, beginning in January, 2011, and urged, *inter alia*, that the Administration appoint a joint Faculty-Administration committee to redo the Administration’s draft business plan. Provost Vroom indicated that she would support with enthusiasm the formation of a joint committee to address the parking issue and promised the committee that she would work to see that the Administration worked with the joint committee in good faith to develop a plan that addressed the maintenance problem and other management problems within the parking authority.

One member suggested that the committee not endorse any fee increase until the administration comes up with a workable plan for maintenance. Another member suggested that the committee needs to respect its advisory role and not suggest that the BOG should condition a parking fee increase on the Administration meeting the demands of this committee.

After further discussion, a member proposed that the committee adopt a motion dealing with the maintenance issue and not the fee increase. A motion was made, seconded, and adopted unanimously that incorporated by reference certain language from the chair’s memo. The full motion, with the referenced material inserted, reads as follows:

That the committee supports the suggestion of Provost Vroom that a joint Faculty-Administration committee be formed to revise the Administration’s draft parking business plan by the end of the Fall 2010 semester. The Administration is asked to refrain, during the Fall semester, from proposing new parking projects. The joint committee would be charged explicitly with the following tasks:

- (a) To develop a reasonably detailed plan for managing routine maintenance. The goal would be to avoid in the future the maintenance problems documented in detail in the so-called Walker Report.
- (b) To examine the number of parking employees, and the utilization of those employees, with a focus on the recent study prepared by the Engineering School.

- (c) To examine the funding needs for structural repairs and options for obtaining the funding, including future fee increases and charges to the General Fund.
- (d) To examine the desirability of major repairs of parking facilities in light of their current utilization.
- (e) To investigate methods for improving the real and apparent safety in the parking facilities.
- (f) To assess new technologies for entering and leaving the parking facilities that would allow real-time measurements of parking usage and would reduce auto thefts.

In anticipation of the work of the joint committee, the administration is asked to take reasonable steps over the next three months to obtain information on the current utilization rates for existing parking lots and structures.

4. *New Faculty Positions.* The committee has expressed two strong objections to the Administration's plan for hiring new faculty. First, it rejects the position taken by the Administration at the last meeting of the committee that the two percent tuition increase imposed on undergraduate students beginning in the Spring/Summer 2011 semester and continuing indefinitely thereafter could not be used for faculty hiring. Second, it objects to the unwillingness of the Administration to commit to devoting a specific proportion of the new positions to undergraduate teaching. The chair indicated that Provost Vroom had indicated in her meeting with the chair and Prof. Romano that she had some ideas on how to meet those objections. He asked the provost to share her ideas with the committee.

Provost Vroom said she agreed with the committee that the two percent tuition increase deferred to the 2011 Spring/Summer semester should be used as the basis for conducting faculty searches during the coming academic year (2010-2011). She noted that any spending commitments are dependent on future revenues but that the revenues from the two percent tuition increase should be earmarked for faculty hiring. Budget Director Kohrman stated his agreement with the position of the provost.

In addition, Provost Vroom said that she recognized the need to enhance the University's undergraduate program and thanked the committee for being a forceful advocate for that improvement. She indicated that she had talked with the deans at the last meeting of the Council of Deans about that need. Most deans agreed that we must strengthen undergraduate retention and particularly teaching in general education courses. She cautioned, however, that some deans were concerned about the lack of flexibility implicit in the proposals of the Budget Committee. She said she will request the Policy Committee to meet with the Council of Deans, or perhaps some subgroups of both, to explore common ground.

After further discussion, Provost Vroom stated that she supported the committee's position that *a predominant portion of the funds obtained from the two percent tuition increase imposed on undergraduates beginning with the Spring/Summer semester should be allocated to hire tenured/tenure-track faculty in order to reduce the number of part-time faculty teaching the core General Education undergraduate courses*. She promised to work with the Academic Senate and the Council of Deans to make this happen. Budget Director Kohrman agreed with the chair that the revenue involved was around \$3 million, which would support the hiring of around 24 new tenured/tenure-track faculty.

One member noted that hiring new faculty to teach undergraduate students would not mean necessarily that those faculty members would continue to teach undergraduate courses for a long time. He noted that many faculty members, for a variety of reasons, preferred to teach small graduate sections. Other members confirmed that the faculty were part of the problem. They noted that the chairs and the deans also needed to change their ways. It was generally acknowledged that hiring additional faculty to teach the core undergraduate courses was an important and necessary first step but that other steps needed to be taken to reach the University's aspirations for its undergraduate program.

One member noted that the committee has also been concerned about the other funds that became available for faculty hiring as a result of the BOG's action in raising tuition. The Administration has estimated that a 3.4 percent tuition increase would be needed to fund contractual obligations and other necessary expenditures, including a permanent increase in the financial aid financed in the FY 2010 budget from Stimulus money. As a result, 1.5 percent (4.9% - 3.4%) of the tuition increase imposed on graduate students and one percent of the 4.4 percent tuition increase imposed on undergraduate students beginning in the Fall 2010 semester were available for faculty hiring. The chair suggested that much of that money should be reflected already in the Administration's proposed FY 2011 budget.

In discussing these additional funds, various members made clear that they wanted those funds to finance additional faculty positions, some of which should be used to enhance undergraduate education. They suggested that the Administration, after appropriate consultation, implement a competition in which a contribution to undergraduate education would be one of the criteria for a successful application.

The chair noted that the memo from the deans contained as an attachment to President Noren's budget memo of July 22, 2010, implied that a commitment to hiring faculty members to teach in the undergraduate program was inconsistent with the University's mission as a research university. He suggested that the many top researchers at the University who regularly teach undergraduates should be insulted at such a charge. Several members noted that the committee has repeatedly insisted that faculty members hired to enhance the University's undergraduate program also contribute to its research mission and typically also support its graduate programs. Another member noted that it is absurd to suggest that teaching and research are the same thing, as the deans' memo implies. The University cannot expect to enhance its undergraduate programs if it focuses only on research in making faculty appointments.

One member suggested that the deans' memo reflected the view of some of the deans that undergraduate education is not a high budget priority. All of the deans would like better undergraduate programs, but some of them are not willing to make improvement in those programs a budget priority. One member noted that the dean of the largest college in the University, with the largest number of part-time faculty teaching core undergraduate courses, did not make a single reference to undergraduate education when he made his budget presentation to the BOG and to the Policy and Budget Committees of the Academic Senate. When asked about the omission, he stated that he had been given only 10 minutes to make his presentation.

Mr. Leo asked if student input would be welcome with respect to the use of new full-time faculty in undergraduate programs. The chair assured him it was most welcome, and several members reinforced this sentiment. Some discussion followed about the ways of obtaining student input and making that input effective. Provost Vroom indicated that she would like to get all of the people involved in undergraduate education to be part of the conversation.

5. *Other Budget Matters.* Members raised a number of budget issues with Budget Director Kohrman.

One member asked why fringe benefits had gone up by around 5 percent when salaries had gone up by around 2 percent. He expressed some skepticism that the increase above the 2 percent could be due entirely to an increase in medical insurance. Mr. Kohrman indicated that well over 90% of the increase was due to an increase in medical. He promised to provide the chair with a breakdown of the elements going into the 5 percent increase. [Note: Mr. Kohrman indicated in an email to the chair that medical expense increases explain about 60% of the increase in fringe benefits.] Mr. Kohrman also promised to provide data on the amount of the surplus in the fringe-benefit account that ends up as part of the year-end balance.

Another member asked about the various technical issues that had been raised at the meeting on July 21, 2010, with Mr. Kohrman, the chair, and Profs. Romano and Woodyard. Mr. Kohrman promised to provide the information immediately to Prof. Woodyard and other interested persons.

A question was raised about the increase of \$3.15 million in Central Accounts for "Strategic Initiatives". Mr. Kohrman stated that most of that money was to fund additional faculty positions. Mr. Kohrman was also asked about the \$1.158 million for "Program Enhancement". He stated that this money will fund five enhancement awards, which will be allocated through a competitive process.

A member asked about the budget effects resulting from the departure of the two most recent presidents and the two most recent deans at the School of Medicine. It was noted that funding for the presidents is included in the budgets of the colleges where they had

retreat rights (Business Administration and School of Medicine) and that the former deans of the School of Medicine are paid whatever they are due from the budget of that school.

6. *Adjournment.* The committee adjourned at 12:23 p.m.

Michael J. McIntyre