

Memo

Budget Committee of the Academic Senate

To: Policy Committee

From: Budget Committee

Subject: Budget Implications of Move to Honors College

Date: November 16, 2007

The Policy Committee has requested that the Budget Committee comment on the budget aspects of the proposed transformation of the Honors Program into an Honors College. A subcommittee, (Michael McIntyre, Linea Rydstedt, Lothar Spang) was established to review the relevant materials and prepare a report for the Budget Committee. The subcommittee report was presented to the budget Committee at its meeting on November 12, 2007. It was revised in light of the discussion at the budget Committee on November 12, 2007, and is now submitted as the report of the committee.

At that meeting, after discussion, the following motion was adopted by the committee:

Based on our understanding that changing from an Honors Program to an Honors College would be essentially a name change not requiring any significant additional spending, the Budget Committee believes that there is no budgetary reason to oppose the change.

In support of the proposal to convert the Honors Program to an Honors College, the director of the Honors Program, Dr. Jerry Herron, prepared a report titled "Honors Program Proposal". That report does not include any specific budget information. The subcommittee met with Dr. Herron to discuss the budget aspects of his plan. He provided the subcommittee with a copy of his current budget, which is attached. He also responded candidly to our inquiries. In his view, the transformation does not, in and of itself, have any budget implications. There would be no change in administrative overhead — the only change being the conversion of the Program Director into a Dean of the Honors College. He noted, however, that enhancements in the program, such as those recommended by certain committees of the Academic Senate, might well have budget implications. In response to a question from a committee member, the Provost stated that she did not anticipate that the change in title from Honors Program Director to Dean of the Honors College would result in any significant change in salary.

There is a general plan for the construction of a building, which the architects, two years ago, estimated would cost \$24 million. That building, according to Dr. Herron, would enhance the program but is not directly related to the transformation of the program into a college. Dr. Herron also indicated that the building project has three divisible parts — the conversion of St. Andrews Church, the construction of a classroom and general-purpose building, and the construction of a dormitory and cafeteria. He indicated the building of the St. Andrews part alone, which would replace the Honors facilities in the undergraduate library, would be an important step forward. The subcommittee suggested that the dormitory portion of the program might have to wait for some time, given the issues raised by the \$2 million deficit that the Housing Program ran in FY 2007. Many first-year honors students currently reside in South Hall. It was suggested that Honors might try to reserve a wing in University Towers for upper-class students as an alternative to the Honors dormitory, at least for the short term. Dr. Herron indicated that he would pursue that suggestion.

Dr. Herron indicated that the building project (or parts of that project) would be funded by some mix of outside gifts, revenue from the dormitory and cafeteria, and University bonds. He directed the subcommittee to Vice Presidents Burns and Davis for further details.

The subcommittee contacted Vice President Susan Burns for additional information and received the following reply.

We are raising funds for honors, but to date, proposals and gifts have been limited to scholarships and program support. As you may recall, we received a \$500,000 commitment from the MacGregor Fund last fiscal year. This is the largest commitment we have received so far. To build interest in the project, we have presented the general concept for the creation of an honors college and building drawings to the foundation board, honors board of visitors and other interested donors and friends, but again, nothing detailed.

A number of the enhancements contained in the Honors proposal would require additional University resources or a reallocation of existing resources. In particular, the plan calls for an increase in required core Honors courses from 24 credits to 36 credits. In addition, the plan calls for the development of a core General Education curriculum, with students required to complete Gen Ed courses in Honors-only sections. Presumably these Honors-only sections would be considerably smaller than the sections now offered. Dr. Herron suggests that the various departments would offer the courses. He indicated that the current Honors budget would allow for a small amount of financial support for the departments teaching the Honors courses, primarily for course development. In effect, the plan calls for the departments to reallocate their own resources to support the Honors College. Dr. Herron suggested that a department might be prepared to take that step in order to have an opportunity at recruiting Honors students to major in that department.

At the meeting of the Budget Committee, Dr. Herron discussed a grant received from the McGregor Fund. According to Dr. Herron, that grant is targeted at helping the Honors Program

implement plans to make service-learning a part of each Honors student's curriculum. Specifically, the Fund is interested in developing community sites/partners that can facilitate student service-learning projects. The grant funds became available as of Fall 2007, so implementation is just in the start-up phase. Dr. Herron indicated that the grant involves matching funds from the budget of the Honors Program and that the Honors Program will eventually be responsible for all of the related expenses.

During the discussion of the program at the meeting of the Budget Committee, one member raised an objection to what he saw as a separation of the honors students from the rest of the undergraduate population. He felt that the model should be that the honors students would enliven existing classes. The Provost indicated that the separate courses for honors students would relate only to GenEd (General Education) courses and not to advanced courses in the departments.

Another member indicated that he favored keeping the Honors Program at its current level until schools and colleges are adequately funded and the student retention rate approaches national norms. He noted that funding of schools and colleges has decreased from about 43% to 36% of the General Fund Budget over the past ten years. To set up a new college in these circumstances is likely to stress future budgets and most likely will result in further funding decreases to schools and colleges.

The Honors proposal states that an Honors College means a "commitment by the university comparable to what many of our academic competitors already provide." Fulfilling such a commitment might be quite expensive, depending on what it actually means. For example, matching the financial commitment that Michigan State has made to its Honors program would require a substantial commitment of additional funds. The Policy Committee ought to clarify this goal of matching the effort of competitors before endorsing the proposal. In addition, the Policy Committee might want to get agreement that the budget of the Honors College be reviewed after two years.

Honors Program Budget, FY 2008

Our FY 08 budget load (after the cut) is \$1,144,698. We have projected spending under the following categories.

1. Salaries: \$811,931

Full time (7 administrative staff, plus 5 senior lecturers, who are the instructors in the Honors freshman course) \$409,931 + 200,000 = \$609,931

- ▶ Program director
- ▶ Administrative Asst, in charge of office management and business operations
- ▶ Curriculum coordinator (ASO), in charge of freshman course, Office of Undergraduate Research, Detroit Fellows tutoring project
- ▶ Special initiatives coordinator (ASO), in charge of all “start” programs, Honors Learning Community, Model UN
- ▶ Marketing Coordinator, in charge of all marketing materials, as well as plans for Scholars Day
- ▶ Honors Academic Advisor, responsible for advising all Honors students
- ▶ Office Service Clerk, in charge of front desk, supply orders, telephone management

Fractional time (which includes a guest faculty advisor and two appointments tied to a grant from the McGregor fund that provides Honors with \$500,000 over two years in return for our providing in-kind support of staff and programs related to the grant, the purpose of which is to promote community-based education and service learning): \$76,000

Student assistants, technicians, and adjuncts (with adjuncts providing service related to the project funded by the McGregor grant; one technician works on the freshman course, undergraduate research, and Scholars Day; the other, who is leaving in December, works on diversity recruitment, data analysis, and recruitment for special student awards such as Rhodes, Marshall, etc): \$126,000

- ▶ On-going programs (which include Scholars Days, and our annual graduation event for Honors students): \$56,000
- ▶ Office maintenance (which includes copying, tech support, telephone charges, web maintenance, staff travel, marketing charges for promotional materials, postage, photo services, AVI charges, etc): \$111,950
- ▶ Special projects (including the site visit from National Collegiate Honors Council, course development awards, and \$50,000 in additional support required by the McGregor grant): \$122,500

SUMMARY

▶ Salaries	\$ 811,931
▶ On-going Programs	56,000
▶ Maintenance	111,950
▶ Special Projects	122,500
TOTAL:	\$1,102,381

This leaves us with a balance of \$42,317 to supplement existing initiatives, or else apply to new projects or expenses.