

Academic Senate Budget Committee Meeting Summary: 2014-2015

The following topics were discussed in detail: the state government metrics used to determine the university budget; the metrics used by the university to determine cuts to college and division budgets; topics related to the university budget such as the contingency fund; changes in the proportions used to allocate grant associated indirect costs; the planning and progress for capital outlay projects; and tuition. The committee participated in the selection process for the new university CFO.

1. University Budget.

- The main topic of discussion was the anticipated budget cuts to all university divisions. The financial challenge can be summed up as follows: the state appropriation is up only modestly (if at all), enrollment (tuition revenue) is down, credit hours are down, the university has to repay a 'loan' from the university rainy day fund that was taken out last year to cover the deficit, and compensation is scheduled to increase as per the union contract. There are no more incremental cuts to make. Given the loss of the road initiative in yesterday's election, it is possible the university will take a cut in state appropriations.
- We discussed with the administration the need to cut administrative personnel, which have expanded significantly in recent years, rather than cut faculty lines, which are the core of the university's mission. We were told that all administrative units are taking 4.5% cuts across the board, regardless of a unit's productivity.
- Importantly, we spent considerable time discussing the need for more equitable and nuanced recognition of the productivity of units whose markers of scholarly productivity can not be measured in the bottom line figures associated with NIH or NSF grants. In many disciplines large federally funded grants are simply unavailable and foundation funding is extremely difficult to obtain. Similarly assessment of scholarly productivity needs to take into account the differences in discipline appropriate measures such as those among books, peer-reviewed articles, and peer-reviewed chapters in edited volumes. Each of these accomplishments is valued differently by a scholarly discipline; and these differences should be acknowledged and taken into account in the development of productivity metrics.

- The committee requested information about long term plans to increase enrollment. This is an ongoing discussion that will continue into the coming year. We discussed how to link the need to increase enrollment and balance the budget to the University's Strategic Plan.
- University debt is in line with comparable universities. Given the positive interest environment, the university is exploring the refinancing of bonds issued in 2006 to receive a more favorable interest rate.

2. **Discussion of capital outlays for:**

- Biological Sciences Building
- I-Bio
- Science and Engineering Laboratory Classroom Building (SELC)
- Scott Hall repairs
- FAB repairs

The committee repeatedly suggested and emphasized the constructive role faculty can and should play in planning for capital outlays, in particular those directly relevant to teaching and research. We queried each finalist for the CFO position on this question and were satisfied that the final choice, William Decatur, will seek and value faculty input.

We discussed the problem of deferred maintenance, our lack of reserve funds to address this problem and possible solutions such as the issuance of new bonds in 2017.

Tuition; We had several discussions concerning the high tuition paid by out of state medical students and different approaches for providing some relief for these students. In addition, the administration has indicated that the University will no longer require the medical school to pay for its freezes in tuition. We also discussed tuition rates across the university as part of the budget discussions.