

Budgetary Affairs Committee Academic Year 2011 – 2012

Final Report to the Indianapolis Faculty Council

History:

The Budgetary Affairs Committee is a standing committee of the Indianapolis Faculty Council. It represents the faculty in issues related to budget and finance.

In years past, the Budgetary Affairs Committee produced a final report to the IFC that detailed their evaluation of the budget hearings (prior to academic year 2009 – 2010) and the cluster hearings (in academic years 2009 – 2010 and 2010 – 2011). Representatives from the BAC attended the meetings and wrote unit-by-unit summaries to be included in this report

Current status of the BAC:

In the current year (academic year 2011 – 2012) cluster hearings, most of the specific budget discussion and questions were not addressed. The cluster hearings focused on (1) how marketing money was spent and (2) what the units were doing to improve retention. As a result, no budget information was provided from which the BAC could prepare unit summaries. In addition, RCM would seem to make unit-by-unit reports unnecessary.

These issues were discussed at the February 21, 2012 meeting of the BAC. Some members of the committee were not convinced that with RCM, the BAC even had a significant role to play and may even be redundant given the existence of the Resource Planning Committee (RPC). The point is that if units are responsible for their own budgets given their assessments and appropriations, there is little relevant information provided by evaluating unit performance. This view is consistent with best practices and the theory of decentralized budget management.

However, the consensus of the group, after discussion, was that the BAC *is* the representation of the faculty in budget and finance matters and that it *is* important that the faculty continue to have a voice in these issues. But the role should be modified. Based upon these issues, the BAC decided to offer suggestions for fundamental change going forward.

Suggestions for changes in the BAC:

The members of the BAC agreed that the BAC has a significant role to play. However they also agreed that valuable faculty time should not be wasted. Faculty time of BAC members should not be used reiterating budget information that is already provided in the IMIR reports nor should it be spent listening to non-budget related information. The BAC should serve as a liaison between the faculty and administration. The BAC should be provided with information related to a) changes in assessments and appropriations and/or b) any administrative initiatives that are

likely to have significant budgetary ramifications. The BAC should then discuss these, as well as any issues related to performance and funding of nonacademic units, from the perspective of the faculty and should provide comments to administration related to these issues.

The BAC believes that focusing their energy on budget planning and on issues that have a broader campus impact would allow the committee to provide feedback that could improve the decision making at all levels of the campus.

First steps:

Beginning next fall, the BAC will meet with Jim Kennedy and Zeb Davenport to discuss budget issues related to campus-wide and university-wide initiatives. The members of the BAC expect that financially relevant issues will be forwarded to the BAC for discussion. These should include the impact that new initiatives will have on the budgets and organization of existing academic units. They should also include budgets of non-academic support units that affect the efficiency and efficacy with which university business is conducted. These improved information structures would provide better feedback to the administration as well as facilitate information distribution to the units.