

Budgetary Affairs Committee Meeting Minutes

Tuesday, April 9, 2013

12:30-2pm AO103

Attendees: Andrea Copeland, Jacqueline Blackwell, Stephan Randall, Michael Weaver, Jack Shaaf, Reed Smith, Karl MacDorman Thomas Fisher, Camy Broeker, Dawn Rhodes, Joyce Mac Kinnon, Andrew Winship, Lisa McGuire.

1. Approval of minutes January 8, 2013
2. Announcement: Thomas Fisher, PhD will be chair of the BAC for 2013-14
3. Report on the Campus Budget conversations among the School Deans and the campus administration (D Rhodes): Budgetary Summaries provided to committee. Two documents: a summary of what the campus admin heard and summary from academic and support units related to the question of what the campus could do to support you. New process was liked by all.
 - a. Business – we are going to monitor them in terms of enrollments and applications as both have dropped. They received many applications to the new medical MBA so this may correct problem. On fiscal watch.
 - b. Columbus- mechanical engineering program instituted and expected to grow in the hopes of compensating for drop in enrollment. Individual accreditation will be sought for Nursing and Education.
 - c. Dentistry – needs new building. To fund building – they are offering an international degree and possibly online courses.
 - d. Education- enrollment is sinking – it is a result of IN no longer requiring certification as it did with education credits. They have to figure out how to remake the program. On fiscal watch.
 - e. ENT- largest graduating class yet. They need students to take more than 120 hours. Are concerned that service credits will drop because of the 30 hour core credit hours. Plan to grow their student body population. Also, appealing the 120 hour credit limit.
 - f. Health and Rehab – good fiscal health, growth in undergraduate and PA program. More growth likely if dietician requires a masters degree for licensing.
 - g. Herron – has expensive programs because of studio space and you can only have limited number of students in these studio spaces. Financial struggles as their space continues to grow. Their credit hours have gone down. They are hurt by 120 credit hours reduction from 131 hours- loss of revenue. They cannot offer a degree online but perhaps some courses. Create service courses for electives for students outside of school.
 - h. Informatics – SLIS has joined informatics July 1. Moving forward with additional hires – more research orientation. Room for expansion in terms of research funding.
 - i. Journalism – sports journalism is the largest focus given its location. IUB journalism will move to a department in Liberal Arts.
 - j. Law School - Enrollments has fallen off a cliff. 312 enrollments last year 259 this fall and next fall 200. Nationally opportunities have declined for lawyers. Legal education – perhaps will offer a masters in legal education. Could drop the LSAT one point – pick up 25 new students but to lower can affect reputation and that can further hurt enrollment. Trying to not price the school out the market. On fiscal watch.
 - k. Liberal Arts – credit hours from majors are going up. Service credits are going down. Students are taking courses at Ivy Tech getting core curriculum out of the way. The

quality of student has changed –more students with AP credits are enrolling. Because of the 120 rule, other schools are making sure students are taking as many credits as possible in their school. The BAC discussed concern about duplicating efforts in course creation and wondered if any bodies on campus are monitoring (ie: Undergraduate Curriculum Committee?) Hired many quality faculty in past years and in doing so their salary expenses have gone up; plan reduce expenses through attrition.

- I. Medicine – extraordinarily uncertain time. They don't know the full impact of healthcare reform. Thirty percent less funds for residents, nationally – 5 of our graduates did not match on residency day. Major curriculum reform – want it to be more team based. Decrease in indirect research cost recovery expected. The state funds the med school less than other states – IU is 44 out of 77 in terms of level of support. Sequestration affecting available research grants.
- m. Nursing – Demand for the BSN is likely to shift to a demand to MSN and doctoral level – change from full to part time students and a more expensive faculty. Need to make cuts – not sure where as yet. Additional managerial changes with new students –health care reform will change the type of workers in hospital and nurses will have to know how to manage other students. BSN is at capacity – need to have clinical space for students. They may have to start paying to place their students.
- n. Physical Education & Tourism Management – decreased enrollment likely due to increase in prerequisites and standards. Focus going forward on community development
- o. Philanthropy – resources outside of credit hours – they have workshops and grants to support the school
- p. Public Health – seeing increased enrollment (13%) and research funds – hiring an associate dean for research.
- q. Science – slight increase in credit hours because of the increase in STEM –watch their research dollars. Their new building has to be built through indirect cost recovery. May need to bridge faculty with research dollars.
- r. Social Work - fiscally sound, online program started, interest strong, 60% acceptance rate
- s. SPEA – enrollment continues to increase, focus on sustainability

Member – concerned about the need to take on new initiatives required to earn revenue without an increase in human resources.

Member – examine new faculty structures, hire individuals contractually for 5 or 7 years. Need adjustments to prepare faculty for changes in work. Need collaboration among BAC and Academic Affairs.

Member –How can we make any recommendations happen?

Member- Strategic planning allows the schools come together in a formal manner.

- 4. Update on parking monetization (D Rhodes)- Spreadsheet – assuming the value for our campus would be 187,000,000 – just a starting point. We owe debt on the existing garages. After compensations, we would have 122,300,000. Must continue to fund our bus operation and other items – we would need 2.3 million to fund these. Spreadsheet shows spending and interest over 30 years. Some money 29 billion would go to a new building. Every year for 10 years we will hire 10 new faculty. Schools will have to absorb the cost of faculty in the fourth year. Cluster hiring - allowing new faculty to start together in the same department. We will likely have to build more parking garages not sure who will build them.

Member: What are the funds we would make if we did not privatize? How long before we see income from the garages? It would be helpful to see what we would make on our own?

Member: We don't know the cost of a faculty member 10 years from now and we may not need them. It is hard to anticipate what our needs will be over an extended period. Feel like we are looking for money to spend rather than fill an economic need.

Dawn: We have to demonstrate how we would spend the money.

Member: it adds a leverage risk and that's the least thing we need to do. You are taking on a long-term commitment without knowing what resources you will need to fulfill the commitment.

Dawn: Leasing for a long period of time not selling. We don't have our strategic plan finished. So we don't know what our pressing needs are.

Member: We don't have to make this decision today.

Dawn: Only so many deals out there and the value might drop.

Member: Fearful that the company will increase the fees and parking will continue to cost more.

Dawn: The University decides on parking increases not the leasing company. Board members are not sold on this either. To summarize, you all do not see an overwhelming need for these funds, that it would be hard to say now that 100 new faculty will be needed, and there are concerns that the funds will not be equally distributed.

Member: Would like to see a comparison to our current plan.

Member: Still not possible to foresee all the expenses and need.

Member: there needs to a connection to the strategic planning committee otherwise it is hard to determine if this is a wise decision to make.

Dawn: Requested report from BAC summarizing our position on this issue.

5. Update on budget hearings in the general assembly that may impact IU (D Rhodes) – Senate approved a budget – general academic and health schools – 9.3 million new dollars coming to the campus over a two year period. Senate has increased 5.5% university funding. How will these dollars be distributed? Using three different components – 1) cost of living increase spread equally among the schools 2) incentivize the behavior we want to see– if you increase your performance related to graduation – you will receive more money.
Member: should be a threshold of 90% because some schools already have met this threshold and feel that this is unfair. This is the problem that IUB faced because their graduation rates are already high
3) persistence. Because increased graduation and persistence rates will lead to more state revenue
6. IU response to Purdue announcement re freezing tuition (D Rhodes)- no official decision yet. We promoted the program that freezes tuition for students making progress towards their degree. Probably a modest increase 1.5-2%.
7. Impact of sequestration on IUPUI (D Rhodes) – Research group is investigating this problem. Schools have been asked to respond to the decrease in federal research dollars.
8. Discussion on effective use of resources at IUPUI.-Item not discussed.
9. Meeting for May to be scheduled via email.