

# IUPUI Faculty Council Committee Annual Report 2010-2011

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**Committee Name:** Budgetary Affairs Committee

**Chair:** Rachel Applegate (SLIS), co-chair Reed Smith (KSOB)

**Members:** Applegate, Smith, Richard Gregory (Dentistry), Anthony Kaleth (Physical Education), Joyce Mac Kinnon (University College), Sara Koskie (Engineering), Steve Randall (Science), Michael Weaver (Nursing), Robert Brookins (Law), Thomas Fisher (Health & Rehab), Robert Hickey (Medicine), Lisa McGuire (Social Work), Keith Morran (Education), Mathew Palakal (Informatics), Seth Payton (SPEA), Henry Pitt (Medicine), Shah Towfighi (Liberal Arts), Kathy Wills (Columbus), Andrew Winship (Herron)

IFC liaison: Fall, Marianne Woheck; Spring, Benzion Boukai

Administrative liaisons: Dawn Rhodes, Camy Broecker

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**Action Items:** *see details below*

Action Item(s)	Status
Joint meeting, BAC and Campus Planning	Feedback provided to administration on the Goalposts planning document. No response yet received.
Budget Hearings	Full report also submitted to IFC. BAC members performed their usual oversight role by posing questions, but there was relatively little input into campus planning.
School of Public Health <i>BAC operating code indicates it should review all new significant programs.</i>	Prospective dean attended and discussed in general terms the composition of the School and some of its financial issues. At that time budget information did not show a self-funded entity.
Early Retirement Incentive Plan, raises, health insurance	BAC provided input to various system bodies examining these issues.

**Action Items to be carried over to 2011-2012:**

Action Item(s)	Status
Completion of Resource Planning Committee C work on assessments and appropriations (see below)	BAC chair is member of RPC. Activities of the RPC after the issues of appropriations/ assessments have been finished are uncertain, but meetings have been scheduled through December.
Greater / more relevant information needed for Academic Affairs	Current budget information, and the limited time allotted to A.A. in the budget hearings, does not allow for much knowledge into this unit, which is very important to faculty across schools.
A system to report financial impacts of new program proposals to the BAC (not solely through the APPC, which is not a faculty governance body)	It is uncertain if those proposing or handling new proposals understand that they should check with BAC
Information on the progress of ideas contained in the New Directions recommendations	While the possible creation of a separate "medical campus" is the largest possibility, many recommendations of the ND task force have large budget implications.

BAC matters, 2010-2011

**For 2011-2012:**

- Completion of RPC work on assessments and appropriations (see below)
- Greater / more relevant information needed for Academic Affairs
- A system to report financial impacts of new program proposals to the BAC (not solely through the APPC, which is not a faculty governance body)
- Information on the progress of ideas contained in the New Directions recommendations

Schools are likely to be most affected by:

- Assessment/appropriation changes (and any offset in tuition)
- Charges for repair/renovation (R&R), anticipated to be in the millions of \$
- Health insurance premium / university share

And there is still no "roadmap" for prioritizing campus initiatives. There is a list, but not in priority order.

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Actions and issues of the Budgetary Affairs Committee:

- Joint Planning – BAC meeting.

Campus planning/"road map"

At this meeting, a document called "Goalposts" was distributed and discussed. It was in a preliminary stage having been discussed among administrators.

The consensus of the BAC was that it was unobjectionable but that it did not set priorities among the many initiatives or values listed (e.g. internationalization, service learning, expanded graduate education, high quality undergraduate education). There has been **no report back** to the BAC based on our input, and no known update of this document.

- Budget Hearings

BAC members along with Campus Planning Committee members again attended four “clusters” which involved deans and administrative unit heads. Each dean/head gave a brief presentation, there was discussion among the deans about ideas sparked by listening to each other, and the BAC / CPC members could ask questions.

For some units, particularly Diversity and School of Medicine, there was no financial information made available and no discussion that was detailed about any financial matter.

For Academic Affairs, the limited time frame made it impossible to see with any detail the costs of or roles of important sub-units (e.g. Faculty Appointments and Advancement, Graduate Office).

Most units reported that continued financial tightening would seriously impact their ability to recruit and/or retain faculty, and to maintain optimum class sizes. Enough space and the renovation of old/dysfunctional space are issues for which the university has no financial answer; units use their own resources along with philanthropy.

- School of Public Health

The future Dean of the School of Public Health attended and answered questions about the composition of the School and its financial basis. There was at that time no formal budget outline showing that it would be self-sustaining, though it has received significant philanthropy.

- Early Retirement Incentive Plan

This was discussed by BAC and input provided to IFC. It is important that if positions are freed for new hires by this process that no subsequent hiring freeze interfere.

- Raises

In Fall 2010 raises were authorized for both faculty and staff, effective November 1<sup>st</sup>. BAC discussed this implementation and other than a few procedural problems they reported no serious issues.

#### Concurrent events/context

*The BAC chair is part of the **Resources Planning Committee**, presided over largely by Dawn Rhodes VC for Finance, attended by the Provost as well as by deans.*

- *The RPC worked on recommendations (to the Chancellor) for a new method of allocating assessments (“taxes”) and appropriations (“state support.”), as well as a new percentage for Chancellor’s Re-allocation Fund (to come off the top, not taxed back as part of assessments).*
- *This process will re-arrange the finances of many schools, but it was not complete as of April 2011. Net impacts will probably be phased in over 1-5 years.*
- *The School of Medicine will see large changes which will then impact other Schools’ resources. Their assessments are estimated to be reduced by \$10,000,000. However, the New Directions Task Force proposed ideas about*

*structures and funding for SoM that, if implemented to any degree, make that a moot proposition.*

- *At RPC it was disclosed that significant charges for R&R (repair and restoration, building upkeep) would likely be levied on Schools in the future.*

*UFC constituted an ad hoc committee for **health insurance**, to provide faculty feedback on the issue of funding health care costs for IU system employees (IU is self-funded). Faculty and staff are likely to see noticeable premium increases due to higher costs overall and due to bearing a somewhat higher percentage of the costs (currently, 1-3%). Premiums are likely to be applied in a progressive way with six brackets of income.*

*A **cost benchmarking study** took place with respect to marketing, student services, and human resources. The process used was considered questionable by many BAC members (and others). The recommendations are not likely to have a large impact on campus resources.*

*A **New Directions** Task Force was created at the system level. Its report of April 2011 contained many significant suggestions for:*

- *administrative consolidation among smaller Schools*
- *budgetary merging of 'core Schools'*
- *realignment of small Schools/ merging / creation of responsibility centers within Schools*
- *creation of a medical campus (IUPUI then being separated)*
- *merger or cooperation between School of Science and School of Liberal Arts*
- *(other suggestions mainly for the Bloomington campus)*

*EACH suggestion would have significant impacts on the campus / the schools.*

**Suggested new action items for 2011-2012:**

Action Item(s)	Status

Please attach any completed documents or recommendations made by your Committee during this report year. One copy of this report and supporting documents will be sent to the IUPUI University Archives.

**Report due: June 30, 2011**

**Submit to\*:** Karen Lee  
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**\*Preferred submission method is via email.**