

**Minutes: Faculty Council Budgetary Affairs Committee  
Tuesday, November 8, 2005**

Members present: Simon Atkinson, Trudy Banta, Terry Baumer, Ben Boukai, Tony Cox, Peg Fierke, Randall Halverson, John Hassell, Robert Hickey, Ann Holmes, Robert Martin, Alan Mikesky, Keith Moore, Bart Ng (for Rosalie Vermette), Jacquelynn O'Palka, Robert Sandy, Rebecca Sloan.

**1. Minutes of May 2005 meeting.**

The minutes for the May 2005 meeting will be approved at the December 8, 2005 meeting.

**2. Charge of the Budgetary Affairs Committee.**

Dr. Ben Boukai, Chair of the BAC, provided a handout "The Charge of the IUPUI Budgetary Affairs Committee" discussing the purpose of the committee as well as the nature of the committee. Excerpts were provided from online sources: <http://www.iupui.edu/~fcouncil/committees/committees.html> and <http://www.jaguars.iupui.edu/handbook/2002/financialdifficulties.html>.

**3. Robert Martin: Report on Fiscal Status.**

Vice Chancellor Robert Martin provided several documents for discussion: IUPUI 2005-07 Operating Appropriation, IUPUI Budget Issues, IUPUI Operating Budget 2006-07 Proforma, and Fiscal Health (by unit). Martin noted that the legislature had provided some money for new initiatives, but reduced the campus budget overall. He walked through each document, providing a detailed explanation for the next two years' net appropriation reductions and expected operating cost increases.

Martin indicated that the zero funds available for "Plant Expansion" (the operating costs of new facilities) for this biennial funding period is a significant shift in the state's policy. Thus, when we open up new facilities, we must absorb all of the operating costs. As an example, he discussed the opening of the new Medical Information Sciences Building in 2007. Since no funding has been received, the School of Medicine will split the expenses 60/40 with the campus. In response to a question, Martin explained that the 60/40 split has been derived from past cost sharing models; however, he notes that the formula could be changed.

Vice Chancellor Martin also mentioned "Fee Replacement", explaining that this is the State's term for "mortgage payment," that is, funds used to make payments due for bonds issued to pay for a facility. It is unclear whether this program will continue in the next biennium. Martin commented that IUPUI has been very fortunate that the legislature has provided funds to cover both Plant Expansion and Fee Replacement in the past. He emphasized that it is vital to the campus that the legislature includes funding for both Plant Expansion and Fee Replacement in the next biennium. Otherwise, with either of these programs gone, it could be a long time before the campus can build another building.

Martin continued his presentation with the 2-page document "IUPUI Operating Budget 2006-07 Proforma." He noted that the "bottom line" is that the campus faces a \$4.6 million in additional costs as we move into 2006-07. In conclusion, Martin referred to the lengthy Fiscal Health (by unit) document. He noted that this document is based on the 5-year budget snapshot (00/01 through 04/05) which was provided by each unit. However, at the time his office prepared the document, final "closing of the books" figures for 04/05 were not available. He will provide the final numbers to the committee.

**4. Trudy Banta: Report on the Budgetary/Planning Hearings and Future Plans.**

Vice Chancellor Banta provided copies of: the Chancellor's memorandum dated November 1, 2005, regarding the 2006 Budgeting/Planning Hearings. This document provides strategies for hearings to enhance efficiency and cut costs via collaboration between units. Two 2-hour group hearings will be set aside to focus on the campus' strategic priorities (the doubling goals), as mentioned in the new mission statement. Hearings will also be conducted for individual Schools.

**5. Discussion of the August 26, Deans' Subcommittee Report on Budget Issues Confronting IUPUI.**

Vice Chancellor Banta also provided copies of the Chancellor's memorandum dated November 1, 2005, regarding the "Fiscal Futures Team". A Group of nine dean presented their report regarding "budgetary issues facing IUPUI" at the August 2005 Dean's Retreat. The memo names a Fiscal Futures Team made up of five deans and five faculty members, and gives their charge of five principal goals.

**5. Proposed/Reform/Transformation of the University Faculty Council Finance and Facilities Committee.**

Dr. Bob Kravchuk and Dr. Ben Boukai are co-chairs of this committee. A handout was provided addressing two goals for 2005-06. These are 1) to change the name of the committee to the University Budgetary Affairs Committee, and 2) to change its status to be a fully functioning committee working closely with the University Vice President and Chief Financial Officer, in order to facilitate lines of communication between the University Administration and the UFC.

**6. Progress on the 2004-2005 Budget Reports and the Narrative of Committee's Report.**

Currently, we are awaiting the final report from David Malik, and hope that he will join the committee for its December 8, 2005, meeting.

**7. Discussion of the Committee's Questions to RC Directors and Deans for the next Budget and Planning Hearings.**

The following questions were passed on from the BAC to RC Directors and Deans in preparation for their Annual Planning-Budgetary Reports which were to be

submitted via the Web by November 4, 2005. These questions have been added to the on-line template for each unit.

- a) The unit's internal process of budget decision and planning: How are budget decisions and plans made in your Unit? What is the extent of faculty involvement in the process?
- b) Financial trends and restructuring: If the financial outlook continues to deteriorate, what structural changes do you plan to make in your unit (e.g., program elimination, personnel reduction, etc.)? What innovative approaches are you considering to help in maintaining the fiscal health of your unit?
- c) Campus coordination and cooperation: Are you willing to work with an adjudicative group in resolving conflicts in course and program offerings in the spirit of reducing campus duplication and overlap? Please cite examples of past cooperation with other units in resolving such conflicts.

It was reported that at this time, only about one-half of the Schools have put their annual reports on line. Vice Chancellor Banta was asked if it would be possible for the template to be revised so materials submitted by a unit for the current year can be quickly distinguished from materials submitted by the unit for the previous year. Banta explained that within the last few days the template had been revised with "Actions Taken" and "Actions Planned". Committee Chair Boukai asked if units can provide a separate document showing materials comprising their current report.

The committee also discussed the fact that during 05/06, committee members did not return to the individual units to determine the extent to which faculty contribute to the discussions and decisions of their units; for example, do they convene with the Dean? It was decided that the BAC would formulate one or two questions for the schools and then representatives of the BAC would return to each school to identify the faculty entity for the unit and solicit faculty input regarding the mechanisms by which they participate in unit leadership. Committee Chair Boukai encouraged each committee member to choose a unit that he/she would like to review, indicating by an email message to him their preferred unit, and when he/she will be available to participate in hearings.

Vice Chancellor Banta mentioned that this year only the academic units will be reviewed by the BAC committee. She explained that there currently are no plans to include administrative and support units in the budgetary hearings. A discussion ensued and lead to a proposal that a motion be forwarded to the Executive Committee of the Faculty Council. This motion, to convey the concern of the committee that all units be included in the review, was seen as important in order to initiate a discussion with the Chancellor in the context of collaborative government. The motion was approved unanimously.

Boukai indicated that to improve their efficiency, the BAC and the Planning Committee will send representatives to each other's meetings this year.

Respectfully submitted, Randall Halverson