

Draft Minutes Faculty Council Budgetary Affairs Committee Tuesday, April 24, 2007

Present: Trudy Banta, Ed Berbari, Ben Boukai, Peg Fierke, Randall Halverson, Ann Holmes, Karen Johnson, Steven Mannheimer, Robert Martin, Keith Moore, Evan Morris, Bart Ng, Jacquelynn O’Palka, Robert Sandy, Gautam Vemuri

1. Approval of Minutes of March 22 meeting

Approved and seconded.

2. Vice Chancellor Robert Martin: Report on 2007-2008 Budget

The State Senate removed a cap on student tuition and fees, as imposed by the House bill. A cap is not expected to be included in the final appropriations bill, but this is the 3rd consecutive session in which tuition and fee caps have been discussed. Indiana University won’t announce tuition & fee increases until after the legislative session. Soon after April 30, the last day of the legislative session, the University is likely to announce the date of its mandated public hearing on tuition & fees; this hearing is likely to occur in mid-May.

Undergraduate tuition & fee increases for the campus are expected to be in the range of 5 to 7%. Graduate and professional schools are permitted to be more aggressive in terms of setting tuition/fees if these can be justified in terms of the competition. Some campus graduate and professional schools are expected to have tuition & fee increases of 10% or more this year.

Approximately half of the \$40 million biennial budget request for the life sciences is expected to be funded. Funds are likely to cover the campus share of the cost of a 3-group partnership for a neuroscience complex (incorporating the new Larue Carter Hospital).

President’s Tax – no new information is available.

3. Wrap-Up Discussion of Unit Planning and Budget Hearings

Committee members provided input regarding results of the unit hearings and other concerns:

- Engineering & Technology: Has done a good job of strategic planning, but is in a “tough” financial situation.
- Education has addressed challenges, including competition from new alternatives which are available to teachers for continuing education credit. The School looks ok financially.
- Herron: Has expensive lab facilities and materials costs. The School is not breaking even and urgently needs added income. New student fees have been proposed. The debt load from the new building is also a concern. Fund raising efforts have not kept pace with operating costs.
- Health & Rehabilitation Services is developing a broad PhD program.
- The Dental School looks ok financially.
- Informatics: Of academic units, the School receives the largest amount of funding per student FTE and pays the lowest amount in assessments. However, assessments for the School are expected to increase and the School is having difficulty managing ongoing costs such as updating computers.
- Regarding the hearings, several committee members mentioned that there was insufficient time for questions. Others noted that a few units do not seem to be practicing generally accepted standards of

financial management, as expected by the campus, in order to avoid situations such as deficit spending.

- Given evident financial challenges of a number of units, members asked what degree of financial distress is required to trigger administrative oversight by the campus. A member asked which units have had formal plans to repay funds loaned by the campus; these have been Dentistry, Education and Law.
- One suggestion for improving the efficiency of the hearing process was to consider combining the oversight functions of the Budgetary Affairs and Planning committees. A suggestion to allow increased flexibility to be able to provide increased time for hearings as needed, was that since the schedule for hearings is contingent upon Chancellor Bantz's schedule, that he retain oversight of the hearings for Academic units, but that Vice Chancellor Sukhatme oversee hearings for administrative units.

4. Additional Talking Points for the 2006-2007 BAC Report

Chair Boukai mentioned that he will look at implications to units of the President's Tax. He welcomes volunteers to assist in writing the committee's annual report, which will be submitted by the end of June.

A member asked the status of the Division of Labor Studies. Vice Chancellor Martin indicated that talks are ongoing with the School of Social Work, and that Labor Studies is likely to be merged with the School.

5. Differentiated Tuition and Fee- Discussion Item

Differential fees for graduate and professional programs have existed from the beginning of the campus. If fee requests now on the table from IUPUI are approved, this is likely to "set the stage" for further differentiation of costs for undergraduate programs.

6. Completion of committee activities for 06/07

Chair Boukai thanked the committee members for their service and urged those leaving the committee to contact Molly Martin if interested in further involvement with Faculty Council activities.

Respectfully submitted,
Randall Halverson, BAC Secretary