

Minutes, Faculty Council Budgetary Affairs Committee

Friday, November 16, 2007

Members present: Simon Atkinson, Trudy Banta, Ed Berbari, Ben Boukai, Richard Gregory, Randall Halverson, Camy Harrison, John Hassell, Steven Mannheimer, Jacquelynn O’Palka, Mark Richardson, Reed Smith, Gautam Vemuri, David Westhuis, Jack Windsor.

1. Approval of Minutes of the October Meeting

Chair Boukai opened the meeting. Draft minutes for the October 17, 2007 meeting were reviewed and approved with two corrections.

2. Update on Campus Budget: Presented by Ms. Camy Harrison, Director of Campus Budget and Financial Operations

Lab and incidental student fees are up for discussion this year. The policy requirement that faculty salary increases match or exceed staff increases will be in effect, as approved last year by the trustees. No decision has been made regarding the Presidential Tax. A retroactive tax is not expected to be imposed.

A committee member asked why unit operating funds have to be used to pay campus Presidential Tax assessments, and whether a source such as IU Foundation funds could be used. So far, operating funds have been discussed as the source for paying the Presidential Tax. However some excess “18/20” funds may be available.

As announced in the Presidential Inauguration address, a 1% reallocation of support unit overhead costs will be used to address student financial aid and accessibility issues. The Campus expects that \$600,000 will be raised for the 08/09 fiscal year. The reallocation will increase incrementally each year until it reaches 5% per year by the fifth year.

Assessments

The Campus is looking at ways to base assessments on expenditures and to charge according to “overhead” services received. Academic units may be grouped into three pools: Columbus, professional school units, and other academic units. In addition to reviewing the allocation of overhead costs, the Campus is reviewing ways to reduce overhead costs. The Deans may need to create a working group to be sure that campus priorities are implemented.

Member comments/questions

A concern raised was that the Presidential Tax may counter efforts by the Campus to hold overhead costs down. On the other hand, it was observed that the tax could be viewed as an investment in the research capacity of the University, acknowledging the substantial amount of research taking place on the IUPUI campus.

Other budget-related announcements

As of January 1, 2008, campus employees must have direct deposit, receive their pay via a pay card, or receive checks at home by mail. Work-study students will be exempt from this policy.

There are three active candidates for a new Vice-Chancellor for Administration and Finance.

3. Further talking points for the BAC

- See draft report “Budgetary Affairs Committee Annual Report 2006/2007”. Chair Boukai referred to the amended charge of the committee (Article III-B.3), as approved by the Faculty Council in 06/07.

The nature of the campus Budgetary Affairs Committee places it in a unique position to detect impending financial difficulties. It can bring to bear the experiences and insights of a broad base of faculty representatives knowledgeable in budgetary matters for review or development of plans to address financial problems at the campus, school, or unit level. While the annual budget hearings in which the campus Budgetary Affairs Committee participates is the best mechanism for monitoring overall developments, budget committees at the school or unit level should be encouraged to communicate to the campus Budgetary Affairs Committee any information and concerns pertinent to the early stages of financial problems whenever they arise.

- As discussed at the October 17 meeting, the idea of reducing the scope of unit hearings is attractive, especially for “off-years” of the biennial budget, such as this one.
- Past unit reports, included in the Committee’s annual report, often have not been uniform in content. They are often in summary form only and thus do not have much prescriptive force. Deans exert control over the content of budget hearings of their units, and BAC members are not accountants. Members acknowledged that the regular process of presenting details by unit administrators via the hearing process has value as it imposes some degree of discipline for campus budgetary and planning matters, and ensures that faculty have the opportunity to review and provide input on plans. A suggestion was made to provide a uniform “template” before hearings that unit fiscal officers would complete and provide to BAC members either at the unit hearing or beforehand.
- Also potentially problematic for Committee members who attend unit hearings and prepare unit reports is that fiscal health data is retrospective, providing a “sense of flow”, but not taking into account future programmatic investments. Currently, members review fiscal health data for units which is posted online in October. Suggestions were made to improve the timeliness of budget data. The Committee could use data from the spring financial analysis, providing budgetary numbers accurate as of three-quarters of the year. Alternatively, December 31 unit numbers could be used, resulting in only a slight delay in the spring hearings schedule. The Campus would require an additional month to conduct its fiscal analysis, allowing hearings to begin after January.
- Faculty Council–sponsored contributions to the campus increasingly focus upon improving the effectiveness of strategic planning and decision-making at the unit and

campus levels. Committee discussion addressed how to improve the usefulness of the hearings process by closing the loop of information flow between administrators and faculty of units, as well as between the administration and faculty of the campus overall. Currently the Committee's annual report, including reports on academic units, goes to the Faculty Council, to Chancellor Bantz, and to Vice Chancellor Banta's office, but otherwise may not be widely read or taken into account.

- The relationship at the level of Deans is changing between IUPUI and Bloomington, leading to some new issues and concerns. Recently, system Deans have been appointed who do not report to Chancellor Bantz and who are given the understanding that they will administer the use of funds for the "IUPUI" side of the units.

Do faculty know what procedures are in place regarding administration of these units at IUPUI? Traditionally, funds have been appropriated by campus, rather than by unit, but units have other funding sources. Mechanisms regarding the use of funds by inter-campus units are not clear. Are there constraints on moving funds between inter-campus units?

The recommendation was made that IUB Deans of these units attend the IUPUI unit hearings. Hearings may also be needed for service units operating on both campuses, such as UITS.

- Update regarding the OPD Advisory Committee: The Deans are reviewing services previously provided in order to assess which needs can be met by academic units internally, and those for which they would like support.
- Chair Boukai will work with Vice Chancellor Banta to arrange the hearings schedule. Please send suggestions to the Chair regarding:
 - Identifying which RC or other units to review via spring budgetary/planning hearings
 - Questions to be posed by Committee members at 2007/2008 unit hearings
 - Items to include in a 2007/2008 pre-hearing template of questions for unit fiscal officers.
 - Common items to include in 2007/2008 Committee reports on academic units and Committee reports on support units
 - Collaboration with unit budgetary affairs committees
 - Collaboration with the Faculty Council Planning Committee

Upcoming Meeting:

Joint Meeting of the Budgetary Affairs and Planning Committees: Monday November 26, 2007 9:00-10:30 am in the Philanthropy Conference Room (201B), Walker Plaza, 719 Indiana Avenue.

Respectfully submitted,
Randall Halverson, BAC Secretary