FY2005 New Funds

Dr. Henry initiated discussion of principles for allocating FY2005 net new funds, which were anticipated to be $4M. He reminded that the Board of Regents would be meeting May 18-19 at which time institutional allocations and tuition and fees would be approved, and that FACP would also be meeting on May 19 to finalize its recommendations based on the actions taken by the Board of Regents.

Dr. Henry outlined the four budget models distributed by Mr. Rackliffe, two based on $1.5M set aside for the science research building and two based on $1.1M set aside, with 2:1 and 1:1 versions of each with respect to allocation of the balance of funds to the colleges (plus library) and non-colleges on size of current budget. Dr. Henry explained that the set-aside for the science research building would be the first of four or five years of set-asides in order to build a source of $5.5M for payment of building bonds and that in the interim these funds would be available for moves and renovations, including those in the Urban Life Building and the Robinson College of Business Building following the move of the Andrew Young School of Policy Studies. He added that one-time $5M minor capital project funding was still in the state budget for FY2005 and would go toward $35M in infrastructure needs, which might also be addressed by some of the set-aside funds in subsequent years.

Dr. Henry noted that FACP had used a modification of the Rackliffe 2:1 model (without the set aside) last year by averaging the Rackliffe model with a model developed by Dr. de Castro, which distributed a portion of new funds based on credit hour generation. Dr. Henry commented that Dr. Hudson had used a similar approach in making his FY2005 recommendations.

Dr. Hudson explained his adaptation of the 2:1 models by splitting share of budget and credit hour generation allocation factors 50-50 and shifting $200K from the science research building set-aside to the enhancement of the internal grants program in the Office of Research and using the amount generated by the Rackliffe model for the library. He noted that Dr. de Castro had used a 49-51 split last year based on the proportions of new money from workload and tuition and fee increases.

Dr. Henry added that the 49% share for credit hour generation (workload) last year was derived from the net of new workload dollars minus eliminated hold-harmless dollars. He pointed out that by applying the same concept for FY2005 new funds, the net of new workload dollars minus eliminated funds (7.5%) would be approximately zero canceling out the credit hour generation portion of the FY2004 model.
Dr. Hudson countered there was a two-year lag in applying credit hours to the Board of Regents funding formula and that the eliminated funds should be balanced against all new dollars. Dr. Huss pointed out that the FY2004 model had taken into account funds already allocated for unmet demand and faculty conversion from part-time to visiting full-time. Dr. Tai responded that the unmet demand funds had not covered the full cost of adding course sections, e.g., lab costs, and he echoed the point about the two-year lag in the funding formula.

Dr. Adamson asked for clarification of how the new workload dollars were wiped out. Dr. Henry answered that the new workload dollars totaled $12.8M, and the combined 2.5% and 5% budget cuts totaled $12.9M. Dr. Hudson again questioned the linking of the budget cuts to the credit hour generated dollars only. Dr. Henry answered that this was parallel to what was done for FY2004 and the credit hour model did not reward support units, which are also essential to the generation of credit hours. Dr. Hudson maintained that the non-college units had not been removed from the equation.

Dr. Kaminshine observed that the Senate Committee on Budget recommendations were more in line with the models presented by Mr. Rackliffe. Dr. Hudson responded that his proposal was more realistic because the Board of Regents allocated funds based on credit hours.

Dr. Huss reiterated that the unmet demand allocations had in effect already paid the colleges for increased credit hours produced by those allocations and that the College of Arts and Sciences had received five times as much as the Robinson College of Business for unmet demand. Dr. Tai again pointed out that the cost for these credit hours exceeded the allocations.

Dr. Tai noted the differences in dollars between the 2:1 variations of the Rackliffe models and the Hudson model were relatively small and that since all the members except Dr. Hudson had used the Rackliffe models as the basis for their recommendations that discussion should move ahead. Dr. Jacobs commented that each of the arguments had merit and agreed it would be more beneficial to measure gaps between recommendations and address them.

Dr. Adamson noted there had been strategic decisions several years ago to pursue credit hours and that the College of Arts and Sciences had carried the bulk of the load in that effort. She noted there were resulting pedagogical issues, which stemmed from minimizing the cost of generating the new credit hours. Dr. Kaminshine commented that the dichotomy between credit hours and quality as funding drivers was difficult to understand with upgrades not limited to reducing PTIs.

Dr. Henry suggested the discussion shift to the 1:1 versus 2:1 question. He explained he used the 1:1 model to be fair to the non-academic units, which had been cut 5% for redirection to the areas of focus. Dr. Huss observed that the college-level administrative budgets had also been cut and that some had suffered because of the way funds were parked in those budgets. He added that administrative units had shifted some tasks to academic units while it was impossible to do the reverse. He cited examples of faculty emptying trash cans and colleges buying catalogs. Dr. Colarusso mentioned the cost to colleges of shredding documents, which was previously handled centrally. Dr. Kelley reported the Deans’ Group had voted unanimously for the 2:1 approach.

Dr. Tai commented on his set of funding recommendations. He pointed out that he moved $200K...
from the set-aside for the science research building to the Office of Research because Research had fallen behind the rest of the university in funding while taking on an increasingly heavy workload in administering grants. He also noted the need for increased funding of the internal grant program.

Ms. Bradley spoke to the role of classroom maintenance, PCs, financial aid, registrar, etc. in making it possible to teach courses, and urged funding for both academic departments and support units.

Dr. Henry voiced support for more funding for the Office of Research noting the findings of the NIH site team in this regard. Dr. Kaminshine added that the Senate Committee on Budget also recommended increased funding for the Office of Research.

Dr. Henry called for further attention to fixed cost increases in the libraries, IS&T and Development. He noted the $300K serials inflation need in the University Library as well as the $110K requested for books. He cited parallel needs in the College of Law library. He pointed to increases in software licenses for IS&T, and the need to re-establish fund-raising positions in Development with state funds since these positions could no longer be funded through a tax on comprehensive campaign gifts.

Ms. Bradley asked about the consequences of not funding the software license increases. Dr. Henry answered that some other services would have to be curtailed.

Dr. Tai handed out a spreadsheet averaging the recommendations of the FACP members item-by-item, after removing the high and the low by item. Dr. Henry commented that the recommendations were relatively close in spite of the different approaches taken. Dr. Kelley expressed support for the averaging method presented by Dr. Tai. Dr. Kaminshine suggested the colleges could be taxed to make up the difference for the University Library.

Dr. Tai made a motion to use his averaging method as a guide for allocating the new funds. Dr. Kelley seconded the motion. The motion passed.

Dr. Huss asked for more information about the set-aside for the science research building and the use of increased indirect cost recoveries associated with the new facility. Dr. Henry replied that with the decommissioning of Kell Hall and the expansion of research capacity in the science research building there would be growth in indirect cost recoveries, but not immediately. He added that when indirect cost recoveries grew, the university share of these funds would go into the university revenue stream. Dr. Harris questioned whether these additional funds should first free up the $5.5M set aside. Dr. Henry responded that the net effect was the same, new funds for the university as a whole. Dr. Tai reiterated the benefit to the university at large.

**Academic Program Evaluations**

Dr. Henry noted FACP had discussed 11 academic programs, which were identified for potential elimination based on criteria of quality, centrality, viability and comparative advantage, but had taken no action pending receipt of additional information. He reminded that the three-person review teams and their collective committee of the whole recommended continuation of 7 and
elimination of 4, and in turn, the strategic planning subcommittee recommended elimination of 2
(BS in Human Resources & Policy Development, and BS in Recreation & Leisure Services), a 3-
year reprieve for 1 (MEd in Health & Physical Education), and no action until completion of
academic program review for 1 (PhD in Educational Policy Studies (Higher Education
concentration)).

Dr. Huss asked about the status of academic program review for the higher ed PhD program. Dr.
Colarusso replied that APACE had not acted on this review, but that the external review had been
completed, and the department was anticipating developing an action plan for submission to Dr.
Henry. Dr. Hudson asked about the timeline for APACE. Dr. Henry responded that APACE would
probably not act until fall semester 2004. Dr. Neel injected that there was the possibility of APACE
action in mid-June. Dr. Adamson added that APACE was attempting to clear up its backlog by
having a special meeting in June.

Dr. Hudson suggested FACP recommend to APACE that the higher ed PhD program be included
on its June agenda. Dr. Huss made a motion to this effect. Dr. Kelley seconded the motion. The
motion passed.

Dr. Henry shifted attention to the other 10 programs. He observed there had been questions as to
whether the review teams were hard-nosed enough. Dr. Jacobs commented on variance among
review teams, a concern with inter-reliability. Dr. Henry responded that the committee of the whole
had attempted to address this concern with use of its matrix presentation of the findings.

Dr. Henry indicated there had been consensus on eliminating the BS in HR&PD, but a split
decision on the BS in Recreation & Leisure. Dr. Huss asked if it would be possible to grow the
recreation program without adding faculty. Dr. Colarusso answered that additional faculty would be
needed, and the College of Education was comfortable with the decision to eliminate the program
given other priorities for new faculty positions. Dr. Rupp injected that the faculty in the program
had $500K in federal grants, and could be relocated program-wise to preserve those grants.

Dr. Huss made a motion to accept the recommendations of the committee of the whole with the
exception of the higher ed PhD program. Dr. Rupp pointed out that Kinesiology & Health had a
track record of being aggressive in eliminating programs, which were not viable. He urged the 3-
year reprieve for the health & physical ed MEd program to allow redirected resources and a new
alternative certification program to have a chance to revive enrollments. Dr. Huss commented that
the issue of quality should also be addressed. Dr. Colarusso stated that elimination of this program
would not result in real savings as the same faculty are engaged in other programs within the
department. Dr. Henry confirmed the program would be reviewed in all dimensions as requested
by Dr. Huss.

Dr. Huss withdrew his preceding motion and made a motion to accept the recommendations of the
strategic planning subcommittee with the exception of awaiting the report of APACE on the higher
ed PhD program. Dr. Hudson seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved May 19, 2004