FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of April 17, 2009

Members Attending: Paul Alberto, Ron Henry, Hugh Hudson, Fenwick Huss (for Susan Kelley), Steve Kaminshine, John Medlock, Robin Morris, Siva Nathan, Jerry Rackliffe, P.C. Tai

Others Attending: Lauren Adamson, David Caudill, Beth Jones, Randy Kamphaus, Bob Moore, Tim Renick, Nan Seamans, Edgar Torbert

The minutes of April 15, 2009, were approved as distributed.

Dr. Rackliffe distributed copies of “Budget Considerations – 17% Cut Scenario with Federal Stimulus Funds, Fiscal Years 2009-2011” and reviewed the changes from the previous version discussed April 15, 2009. Dr. Rackliffe pointed out the continuing budgetary balance of negative-$5.7M would be essentially offset by the projected revenues from the Special Institutional Fee (formerly Temporary Institutional Fee) of $5.6M. Dr. Rackliffe noted the projected continuing budgetary balance for the next year (FY2011) was now $3.5M, and announced Dr. Becker had requested FACP to recommend pre-allocations in FY2010 to offset budget cuts up to $1M. Dr. Rackliffe added that the remaining $2.5M of the FY2011 projected balance would be set aside for Dr. Becker to allocate with advice from FACP toward the initiatives arising from his “State of the University” address.

Dr. Rackliffe announced the projected federal stimulus funds of $10.9M in FY2010 and FY2011 would be subject to State Office of Planning & Budget (OPB) approval of a proposed spending plan from the university. Dr. Nathan asked about the particulars of the OPB review guidelines. Dr. Rackliffe answered guidelines had not been issued, but there were some known themes such as “buy American” and “create jobs”. Dr. Adamson asked if hiring should proceed given the lack of certainty of the federal stimulus funds. Dr. Rackliffe encouraged proceeding with hiring in order not to miss on good talent.

Dr. Henry presented a spreadsheet for consideration in distributing the $1M pre-allocations to offset budget cuts. He explained the spreadsheet showed the breakdown in dollars of tenure-track faculty positions, staff positions, and non-personal services in the 3-to-4% range of budget cuts as presented by the deans to him and Dr. Rackliffe. Dr. Henry emphasized protecting generation of credit hours, recruitment of students, infrastructure for research, and development. He noted the 4% cut for enrollment services was shielded by the Provost Office, and Dr. Becker would be addressing research and development as part of his $2.5M package.

Dr. Kaminshine asked if the $1M to offset budget cuts could be applied across-the-board to reduce the cuts for the colleges to 3.5%. Dr. Rackliffe and Dr. Henry replied such a cut would balance, but the intent was not to proceed with across-the-board cuts. Dr. Kaminshine voiced concern about recommending differential cuts when the deans had not made budget presentations to FACP as a whole. He commented such decisions should be based on quality, if not done across-the-board. Dr. Tai responded the $2.5M package held by Dr. Becker should be the vehicle for dealing with quality.

Dr. Huss expressed concern Robinson College of Business was disadvantaged by the breakdown
of cuts for the 3-4% range since the college had purposefully avoided cutting tenure-track faculty positions by cutting staff positions more deeply.

Dr. Kaminshine spoke in favor of allowing the colleges to allocate differentially within their budgets rather than allocate differentially up front to the colleges.

Dr. Rackliffe stressed the importance of maintaining capacity to generate credit hours since the budget scenario presented depended heavily on tuition revenues. He urged leveraging the $1M package to generate more dollars through credit hours.

Mr. Medlock pointed out the importance of staff to support the academic enterprise and urged care in evaluating the harm from eliminating staff positions.

Dr. Henry commented the deans had taken several different approaches to cuts. He noted Robinson College of Business was facing an AASCB review in two years, which dictated preserving tenure-track faculty positions at the expense of administrative support. He noted a similar consideration in the College of Health & Human Sciences relative to a tenure-track position in Physical Therapy.

Dr. Kaminshine and Dr. Tai spoke to the importance of credit hours and suggested a distribution of the $1M in a way reflective of credit hour generation.

Dr. Henry presented a set of funding recommendations for the $1M package as follows: $750K to College of Arts & Sciences; $90K to Robinson College of Business; $90K to College of Health & Human Sciences; $70K to Library; $34K to College of Education. He remarked the proposed allocation to the College of Arts & Sciences was based on leveraging to generate more credit hours and targeted to the college because of its increasing workload associated with incoming students. Dr. Huss commented credit hour production in the College of Arts & Sciences was previously funded and larger class sizes presented an alternative way of increasing capacity. Dr. Hudson responded the Department of History was also teaching maximum-size classes as set by the fire marshal. Mr. Medlock observed the university has a shortage of large size classrooms, which severely handicaps efforts to increase class sizes.

Dr. Alberto asked about the derivation of the $750K figure for the College of Arts & Sciences. Dr. Henry replied the figure was based on the number of tenure-track faculty positions needed to move forward. Dr. Adamson added a number of tenure-track faculty searches had been halted a month or so ago due to the budgetary situation. Dr. Huss reiterated the Robinson College of Business had not taken this approach instead focusing on support staff positions in order to avoid faculty cuts, which would impact accreditation and delivery of instruction, and now this decision was backfiring with respect to allocating the $1M package. Dr. Adamson responded there were no guidelines given to the deans as to how to cut their budgets, hence each had made their own decisions as how to proceed.

Mr. Medlock reiterated the Staff Council had urged protecting personnel in dealing with the budget cuts. Dr. Hudson pointed out it was important to offer students something in return for their increased fees.
Dr. Hudson made a motion to recommend to Dr. Becker the allocation of the $1M package as outlined by Dr. Henry above. Dr. Kaminshine seconded the motion. The motion passed.

Dr. Kaminshine asked about the allocation of the federal stimulus funds. Dr. Henry replied there would be discussions with the deans, vice presidents and other major budget heads and in turn with FACP; however, the funds could be used strategically to place areas on notice of permanent cuts in two years, if not more productive.

Prepared by Edgar Torbert
Approved April 29, 2009