

# Review of FY 2009 Budget

## Faculty Council

## Long Range Budget and Planning Committee

### Members

Gordon Wallace, Department of Environmental, Earth and Ocean Sciences, CSM (2005-2008)  
Chair

Lal Chugh, Accounting and Finance, CM (2006-2009)

Enrico Marcelli, Department of Economics CLA (2006-2009)

Victoria Palmer-Erbs, Department of Nursing, CNHS (2006-2009)

Denise Patmon, GCOE (2006-2009)

Gary Siperstein, Center for Social Development and Education (2005-2008)

David Terkla, Department of Economics, CLA (2003-2006)

### Ex-Officio

Keith Motley, Chancellor (or his designee)

Paul Fonteyn, Provost (or his designee)

Ellen O'Connor, Vice Chancellor for Administration and Finance

Winston Langley, Associate Provost for Academic Affairs

Daniel Ortiz, Director of Libraries

Neil Rosenberg, Assistant Vice Chancellor for Administration and Finance

# Review Process

- Committee Reviewed Budget Proposals Posted on the Office of Budget Website
- Met to consider scope and level of detail of review process
- Committee elected to focus on cross-cutting issue rather than unit-by-unit reviews

# Cross-Cutting Issues

- Budget Forms and Accounting
- IT Requests
- Staffing
- Centralization vs distributed control of funds
- Resource Requests
- Advising
- Master Planning
- Institutes and Centers
- Graduate Education
- Additional Concerns

# Budgeting

- List carry-forward funds from previous fiscal year on Budget Form
- Implement 2-year budgeting cycle for planning purposes
- When will zero-based budgeting be implemented?
- How are variances (overspending) handled?

# Accounting

- People Soft remains a serious impediment to responsible spending on campus
- Initial progress in making it more user friendly (i.e.FAIR) encouraging but
  - Each account should be identified by readily identifiable name (not just account numbers)
  - All accounts should identify by name (not numerical categories) the spending categories authorized and the originally budgeted amount

# Advising

- Multiple requests
- No data provided on need
- No evidence of coordination, e.g. between academic support and individual colleges
- No criteria identified by proposers to evaluate success
- Would investment in faculty lines and increased faculty involvement in advising activities be more cost-effective?

# Staffing

- Multiple requests far exceed available funds
- No criteria have been established established for staffing that allows:
  - Customized requests – not all needs are the same
  - Establishment of criteria based on comparison to other institution units and functions
  - Data driven
- In general shifting of CTF funded positions to state lines should be discouraged

# Centralization vs Distributed Control of Funds

- Recognition that all funds in University are in fact the University's, not necessarily individual unit funds
- Recognition also that some degree of autonomy and flexibility in use of funds needed at individual levels to promote entrepreneurship and growth of units
- Need to establish or reiterate what constitutes the balance between the two.
- Transparency and assessment a must!

# Resource Requests

- Data driven
  - Enrollment
  - Scholarly activity
  - Quantity and quality of service
- Establishment of benchmarks for success

# Resource Requests (cont.)

## ■ Coordination among units

- Realistic guidance established at beginning of budgetary process
  - Meeting of units heads with budget office
  - Establish realistic funding levels before individual unit requests crafted
- Contribution to the whole as well as the individual unit put in context
  - Specifically identified contributions
  - mechanism for evaluating contributions
  - Evidence of collegiality and collaboration with other units

# IT Requests

- Requests for unit-based IT should be coordinated with IT
- Establish criteria used to evaluate individual vs centralized (IT) responsibility for equipping, operating and maintaining IT facilities
- Require all unit-based requests to be vetted with IT before requests made using these criteria
- Provide mechanism for systematic replacement of unit-based IT infrastructure

# Master Planning

- Must be clear commitment to establishing reasonable quality of life for campus community while pursuing ambitious master plan objectives
- Accounting for expenditures associated with the master planning effort should become a routine component of the annual University Budget

# Institutes and Centers

- All budgets of Institutes and Centers should be fully transparent
- The balance of state and external funds used to support Institutes and Centers should be indicated
- Need to have identification of accomplishments for justification for the use of state funds (existing and proposed)

# Graduate Education

- Graduate assistantships are apparently being managed by both Graduate Studies and individual units – justification?
- Multiple management of assistantships raises issues of resource allocation
- Appropriate balance between classroom and online courses need to be established

# Some Additional Concerns

- Data driven decisions should be the goal of all budget reviews
  - Proposed budgets often lacked important data on which to justify their requests (e.g. Athletics, Student Affairs, Enrollment and many others)
  - Where appropriate, units did not evaluate their requests for support in the context of typical levels of support in other comparable Universities
- Every unit's request should be accompanied by self-imposed benchmarks against which their success in the use of new funds is to be measured (e.g. marketing)

# Additional Concerns (cont.)

## ■ Fee generation

- What are criteria allowing units (e.g. CM) to establish fees?
- What is the review and adjustment process for fees?
- How are fee expenditures tracked?

## ■ Travel Funds

- Centralized vs distributed
- How are allocations to be made? General criteria or unit specific?

# Additional Concerns (cont.)

- To what extent can unrestricted funds acquired by IA can be used as revenue to assist in addressing:
  - The Library's request for development of learning centers?
  - Specialized teaching environments such as that proposed by CM?
- Full transparency is needed from ORSP to facilitate assessment of revenues and how they were expended

# Recommendations

- Implement 2 year budget request cycle with:
  - Data driven requests
  - Established benchmarks for evaluating success in proposed use of funds
- Complete university-wide staffing assessment to establish reasonable growth and supporting infrastructure needs
- Develop schedule to implement criteria in establishing centralized or distributed resources in
  - Advising
  - Staffing
  - Marketing

# Online Courses

- Should be:
  - Self supporting
  - Offered at rates similar to the same or similar courses offered on campus
  - Not compete with primary instructional curriculum of the University

# Recommendations (cont.)

- Implement transparency in the budgeting of all units in the University and expenditure of funds
  - Budget cycle should start earlier
  - 2-year cycle should help such efforts
  - Report previous carry-forward funds available on budget form
- All units should be held to the same standards of accounting e.g. repeated requests for transparency in the budget and accounting for ORSP have been particularly difficult to obtain

# For FY 2010

- The Committee stands ready to continue to be the voice of the Faculty Council in working with the Administration to:
  - Ensure scheduling of implementation of resolutions of general concerns identified over the last few years in this upcoming fiscal year
  - Ensure complete transparency of the budget process holding all units to a common standard
  - Initiate the process (hopefully on a two-year planning cycle) of submittal of budget request in January allowing a more meaningful and constructive review process