

University of Utah

Faculty Budget and Planning Advisory Committee

Annual Report

2011-2012

1. Committee Membership: Enrique Aleman, Susan Beck, Connie Bullis, (Chair) Kent Lai, Bob Lutz, Bob Nelson, Diane Nicholson, Terry Ring

2. Meetings:

November 4, 2011. Organizing meeting with Pat Hanna, Senate President. (Susan Beck, Connie Bullis, Bob Lutz, Bob Nelson, Diane Nicholson and Terry Ring)

The committee discussed the history, role, and possible future agenda. Pat Hanna provided a historical understanding of the committee. It was formed to act in the event of financial exigency. If units are considered for termination, this committee would be involved as the faculty voice. In general, the Academic Senate's goal for the year is to assure that the committee system is functioning well with healthy committees. For this committee, exploring its operations during "normal" times is important.

Pat Hanna reported that a Strategic Planning Committee has been appointed for the University. The Senate Executive Committee asked for added breadth on that committee, with the senate appointing additional members. Pat Hanna will bring FBPAAC in on this. FBPAAC should be involved since it may entail reallocation of resources. She also announced that the FBPAAC committee will be on the executive committee calendar. She also suggested determining whether including ex officio committee members would be valuable.

The committee discussed its role and goals. The committee sees its role as disseminating important information to the faculty, understanding the budget process in order to represent the faculty voice in the decision making process, maintaining positive relationships with budget officers, being vigilant regarding budget decisions and transparency of such decisions, maintaining connection with the Senate.

December 6, 2011. Meeting with Vice President Dave Pershing and Associate Vice President Cathy Anderson. (Connie Bullis, Kent Lai, Bob Lutz, and Bob Nelson)

Dave Pershing clarified his perspective regarding the committee's role during times when there are no proposed unit cuts. He expressed a need and appreciation for the committee as a "sounding board" through which he can understand a faculty perspective.

Dave Pershing gave an overview of the current situation saying there are no talks of budget cuts currently and compensation is a high priority along with infrastructure and buildings. Capital requests include a medical building, law building, and health sciences building.

Cathy Anderson explained the continuing shift in funding away from state funding and toward more tuition funding. This makes budgeting more variable. She explained that the new leg of the funding model includes funding based on graduates (rather than simply SCH).

The committee asked Cathy to check on updating the OBIA web page information on budget and expenses. She will have that updated. The committee asked her to check on the final consulting report from last year's consultants. The committee asked for information on how the venture capital fund is performing.

The committee discussed : 1) the vision of controlled growth (at 1%) and importance of balancing growth with the University's niche as the flagship institution 2) growth as clinical and research enterprises in addition to enrollment, and 3) infrastructure problems such as old buildings with structural problems.

December 7, 2011. Meeting on the role of FBPAAC. (Cathy Anderson, Connie Bullis, Bob Fujinami, and Pat Hanna)

The meeting focused on the historical and current role of the FBPAAC committee. Pat Hanna discussed the relevance of FBPAAC to the current strategic planning. She will recommend that the committee be represented on the strategic planning committee. Pat Hanna checked into the committee's history and verified that it should be involved in ongoing budget planning in addition to its role as the faculty voice during considerations of unit cuts. The group concluded that, given the committee's history, additional ex officio committee membership would not be appropriate. Rather membership should remain as is.

Several resources and issues were discussed. In general, a more comprehensive understanding of the budget and budget processes would enable the committee to take a stronger role in budget planning. Resources the committee should tap include the Governor's budget, Utah System of Higher Education budget, Committee for Higher Education budget, and Senator Urquard's blog. Questions and issues relevant to the committee include: 1) the relationships the university budget has to specific programs such as LEAP, athletics, and auxiliaries, 2) discretionary spending, 3) budget lines that are separate from state funding, and 4) implications of increased reliance on tuition funding, the end of stimulus money, and decreases in SNF and NIH funds.

Cathy Anderson agreed to meet with the committee to provide additional information on the budget and budget process.

January 23 Meeting with Senate Executive Committee

In this meeting, the role of the committee was further verified as maintaining relationships with administrative officers, understanding the budget and budget processes, and providing a faculty voice.

Members of the executive committee raised the matter of the need for incentives for team teaching which is discouraged through the current SCH model, the institutional vision of auxiliary faculty, and the need for the committee to understand the budget process.

### January 27 Meeting with Cathy Anderson for Additional Budget Training

(Connie Bullis, Kent Lai, Bob Lutz, Bob Nelson)

Cathy Anderson provided information in general on the university budget and budgeting process. She discussed the flow of the budget process, key pieces of the budget, types of funds, and types of funding. She also informed the committee of current issues such as institutional equity, historically unfunded enrollment growth, health insurance increased costs, the elimination of the quality incentive from the SCH model, and the importance of student completion to the budget. She also pointed out several valuable resources for this committee including the governor's web site, the OBIA web site, and the name of the current legislative analyst.

The committee discussed the need for base budget allocations for unit operations.

### February 22 Meeting with Cathy Anderson on the legislative session. (Connie Bullis, Bob Lutz, Bob Nelson, Diane Nicholson, Terry Ring)

Cathy reported on the legislative session. Higher education appropriations committee recommended a 1% salary increase as top priority for higher education funding. Top priorities for the state are Medicaid and public education growth. There will not be nearly enough funds to fund needs beyond those priorities. Other funding that is under discussion includes: 1) Some equity funding primarily be allocated to SLCC and UVU 2) Student retention and grants management 3) one time funding for concurrent enrollment 4) Infrastructure, facilities, and university utilities, 5) The Sorensen education building, dental building and law school buildings.

The committee raised several additional issues including: 1) The Venture Capital Fund set aside from the endowment was discussed. This is a fund used for investment in start-ups and in research park. The FBAC requested information on how that fund is doing. 2) What are the academic and budgetary ramifications of PAC 12 membership? 3) The University logo change from drum and feather to Block U 4) The education and profit mission for the medical school and its need to compete with industry and 5) the possibility of re-examining the SCH model

### April 18 Meeting with Cathy Anderson on the Final Legislative Wrap Up (Susan Beck, Connie Bullis, Bob Lutz )

Cathy Anderson provided end-of-year budget information.

The 1% increase went through with the state funding 75% of the increase and tuition funding 25%. This mode of funding is consistent with the status quo for funding increases. Cathy reported a 5% increase in health insurance which will be funded out of tuition. Some "mission-based performance funding" for admission, retention, and completion of students as well as support for research and economic development was provided. The University received a small amount of equity funding but for the most part, equity was allocated to SLCC and UVU to address equity within the system of higher education in

Utah. Some funding was provided for engineering and for math and teacher training. Cathy reminded the committee that the economy continues to be fragile and that we cannot approach budgeting as though the economy is back to business as usual. The forecast for higher education is that there will be increasing demand but no more funding for buildings and infrastructure. Rather there will be an increased focus on online education and on efficiency. There may be increased interdisciplinary, cross-listing, and hybrid formats with some meeting and much of the class being conducted online.

Cathy reported that she has been unable to find the consultant's efficiency report. She will provide information on the venture capital fund.

3. Considerations. The committee appreciates Cathy Anderson's willingness to meet and share information and advice. She was more than generous and a solid relationship is not in place between Cathy Anderson and the FBPAAC for the future. The ongoing role of the committee has been re-established and verified through discussion and meetings with the Senate leadership.

4. Recommendations.

With Dave Pershing's departure from the role of VP for Academic Affairs, it will be important to establish an ongoing relationship with the new VP for Academic Affairs.

Follow up on making use of the resources identified throughout the year.

Meet with and re-establish relationships with additional administrative officers, including Vivien Lee, Larry Dew, and/or Cynthia Best in Health Sciences and Eric Denna, Chief Information Officer in the President's Office.

Continue to pursue information from administrators on the Venture Capital Fund and the efficiency consultant's report.

Monitor the OBIA website for continual updating and transparency.

Maintain relationships with Associate VP Cathy Anderson and with the senate leadership.

Determine whether and how to pursue topics identified during the 2011-2012 discussions such as strategic planning involvement, base budget for operations, reconsider the SCH model and how interdisciplinary courses can be encouraged, and how to continue to be involved in long term budgetary planning.