

**University of Utah
Faculty Budget and Planning Advisory Committee
Annual Report
2009-2010**

1. Committee Membership: Susie Beck, Connie Bullis, Barbara Cox, Marlene Egger; Nancy Lombardo (chair), Bob Nelson, Marlene Plumlee, Terry Ring

2. Meetings:

September 8, 2009 - FBPAC Initial meeting, 3:00 PM Park 302E

An overview of the current budget problems was presented. All cuts continue to be pushed to the departments and are controlled by Deans and department chairs. The committee members asked if that the best policy? If we are required to cut an additional 1 or 2% above the anticipated 9.5% cut of state funds next year, there will likely be layoffs and furloughs. Questions about more early retirement packages were raised. The committee discussed whether the public is clear on the impact of the budget cuts? Should we, as faculty or as a committee, be expressing our own message more clearly? Is the U suffering in a public way, or are we perceived as doing business as usual?

October 6, 2009 - FBPAC - Meet with Dave Pershing and Paul Brinkman, 2:00 PM Park 302E

There was still much confusion and legislative posturing regarding budget cuts. There were no talks of a mid-year cut. It was suggested that the range could be covered by the Rainy Day funds. The U should be OK for the rest of the current fiscal year.

The legislature had been very supportive of the tuition increases so far, but it was uncertain how they would react this year. The students did not complain very loudly last year, but they are tired of big increases. UU enrollment is not growing as fast as other state institutions. The U has not been pushing for increased enrollment at the expense of high standards for admissions. In fact, admission standards were raised again this year. 40% of UU enrollment growth was in graduate programs last year, and that is good for the budget, as tuition is higher there.

January 5, 2010 - FBPAC - Meet with Lorrin Betz, VP of HSC, 1:00 PM - Conference room on the 5th floor of the Neurosciences Center (Old Moran Bldg)

Dr. Betz began the meeting by summarizing the School of Medicine (SoM) funding issues, providing some historical perspective. In 2008, the federal government decided that Medicare/Medicaid would no longer be allowed to fund undergraduate medical education (pre-MD) which translated to a \$10 million loss or 1/3 of funding to departments. State cuts were approximately 10% with a cumulative loss of 40% for the educational program. To compensate for the loss and make a clear statement of the impact of the cuts, the size of the incoming class was cut by 20% from 102 to 82 incoming medical students. (Dr. Betz sees the need to make clear statements as a university wide issue. He believes the U cannot continue to offer all services and programs at the same levels as the cuts continue to be made to the budget.)

The new SoM curriculum, implemented this year, had exacerbated the budget problem to some extent, as more MDs and clinical faculty were required as a result of introducing students to clinical work in the first year. In general, clinical income is growing, as the U Hosp and Clinics were gaining market share. Research growth was great last year, and that was prior to the stimulus funding. The U should be emphasizing the economic benefits of the U to the state and the community. Dr. Betz stated that we prepare the workforce, do valuable research, create spin-off technologies and there are important discoveries that help the community and society.

January 8, 2010 - FBPAAC - Meet with Dave Pershing and Paul Brinkman, 2:00 PM Park 105

The Governor called for an additional budget cut of 3%. The state is short \$160 million in the current year. This cut was based strictly on personnel figures, though the cuts are not required to come out of personnel budgets (ledger 1, 1001 accounts.) This complicates the issue. The U has 6.8 million to cut. Administration will do what it can to soften the blow. They will try to bring the cuts down to 1.5%, or half of what is demanded by the Legislature.

Tuition will have to be raised again this year. We have moved to a split of 53% - 47% of cost between the State and the student. Soon, the split will cross the 50% line with students paying more than 50% of the costs of the education. Nationally, those figures are not quite 60-40%. UU tuition is low nationally, but high for the state of UT. Tuition is up 98% since the year 2000. Next year, it will be more than 100%.

Half of campus is under construction due to failing infrastructure. These are costs that can't be avoided, but were not planned. Power and fuel are areas Admin is looking at. Can we cut costs? A co-generation plant is in the works. A geo-thermal demonstration has investigated cooling of data centers. The Office of Sustainability is working on these goals.

April 12, 2010 - FBPAAC - Meet with Dave Pershing and Paul Brinkman, 4:00 PM Park 302E

Thanks to work of Governor and Mike Young, there should not be any Dept who has to take more than real 5% cuts this year.

It may be time for strategic visioning process. 04-05 was the last time. We need to work on this again. President Young is talking about new initiative focusing on students, particularly undergraduates. He will speak at first meeting of the fall. Students should get highly engaged experience with faculty at a research institution. How do we scale up the more engaging experiences? As we raise admission standards, need more of these opportunities. Academic changes such as senior thesis could engage students more.

**May 13, 2010 - FBPAAC - Meet with Steve Hess Re: Efficiency Task Force, 3:00 PM
EBC Harris Conf Room**

Steve outlined the work of the Efficiency Task force. (Handout : [Efficiency Action Plan from ITC Meeting of April 2010.](#)) When President Young came to the U, he appointed Steve as the CIO, and Steve began to coordinate and consolidate the very distributed IT operations on campus. The centralization of IT on campus created a savings of \$13.3 Million per year as well as a one time savings of \$693,000. As a result of this, president Young asked all areas of campus to investigate the savings that could result from similar efficiencies within their areas (Business, HR, Operations, etc)

UIT is a client focused group. They will only act in accordance with the demands of their clients, the departments, faculty and staff. They will not be issuing mandates. As long as the current administration is here, that will continue. Steve will suggest that a report on the savings from the implementations be prepared at the request of FBPAAC.

3. Considerations: The focus of the committee this academic year was to advise the administration on the budget cuts being implemented. The committee maintained a very active meeting schedule and found the administrators to be very interested in hearing their views. We appreciated the value placed on our feedback. Dave Pershing and Paul Brinkman were always ready to meet with the committee as soon as new information was received from the legislature. The committee found these meetings to be honest, challenging and productive.

4. Recommendations

The FBPAAC recommends that this committee:

- continue its regular meeting schedule with appropriate vice presidents, but in particular with Dave Pershing and Paul Brinkman, in order to ensure that the faculty voice continues to be heard as the University endures these difficult economic times
- receive further information on the plans, implementations and savings enacted by the Efficiency Task Force, headed by Steve Hess
- be utilized in a pro-active way to help shape the plans for any additional budget cuts next year
- be utilized in a pro-active way to help shape the message to the public and the legislature regarding how these cuts are impacting the University faculty
- continue to emphasize the need for budget transparency as difficult budgetary challenges are managed