

Senate University Budget Committee

2014-15 Annual Report to the University Senate

Committee charge: This committee shall review the planning, negotiation, and allocation of the University operating, capital, and other budgets, the process of making budgetary and financial decisions and the determination of priorities among academic and other programs having financial implications. This committee may recommend any desirable expressions of Senate opinion on these matters. The committee shall include two undergraduate students and one graduate student.

Committee members, 2014-2015: Michael Ambroselli, Rajeev Bansal, *Loftus Becker, *Norma Bouchard, *Michael Bradford, Angela Brightly, *Janine Caira, *Ellen Carillo, *Eleni Coundouriotis, Erika Elechicon, Philip Mannheim, James Marsden, Jeanne Martin, *Suresh Nair, Corey O'Brien, *Lisa Sanchez, Katrina Spencer (ex-officio), Daniel Stolzenberg, *Thomas Bontly, Chair

(* Senate member 2014-2015)

Appointed representatives to other Senate committees: Jeanne Martin served as the committee's representative on the Senate Growth and Development Committee; Michael Bradford served as the committee's representative on the Diversity Committee.

Overview of the committee's business in 2014-15

The Budget Committee's deliberations this year were chiefly concerned with the policy of charging graduate tuition to grants, which the committee had been asked by the Senate to monitor. The committee's conclusions and recommendations regarding that policy are contained in a separate report dated April 27, 2015, to be presented at the final Senate meeting of the academic year. Other agenda items this year included the University's budget deficit, the faculty hiring plan, enrollment increases, and intellectual property and the license back policy. Several additional agenda items, including consideration of regional campus budgets, were postponed until Fall 2015 due to the need for extended study of tuition on grants.

Meetings

The Budget Committee met 6 times during the 2014-15 academic year: September 22, October 20, March 27, March 30, April 6, and April 20. Three additional meetings (in November, December, and February) had been scheduled but were subsequently cancelled, two due to scheduling problems with our invited guests, one due to a snowstorm.

September 22, 2014. As in past years, the committee's first meeting featured an overview of the University's financial situation and also the faculty hiring plan, provided by Budget Director Katrina Spencer.

- The University had a net operating loss of about \$25 million in FY 14, less than the \$30 million originally forecast. The Budget Office forecasts increased revenues and increased expenses for FY 15; no operating loss is projected for FY 15, but there is much uncertainty owing to the State's fiscal situation. There followed a lengthy discussion of the University's FY14 deficit, the budget projections for FY15, the dramatic increase in fringe rates, and State support for the University's budget. Budget Director Spencer also provided an update on the Provost's hiring plan.

- The University has hired (the FTE equivalent of) 243 new faculty members (over and above hiring by the schools and colleges to fill existing vacancies): 75 in FY 13, 112 in FY 14, and 56 in FY 15. The projected number for FY 16 is 45, although the actual number will depend upon State funding for NextGen.
- The committee also discussed the deans' requests for rescission plans, and the audit of the university's internal controls and compliance, released by Auditors of Public Accounts in August 2014.

October 20, 2014. The committee's second meeting focused on graduate education. The Dean of the Graduate School, Kent Holsinger, provided updated figures for the tuition charged to research grants under the policy in effect since 2009. The Graduate School uses the funds from these charges to provide supplemental tuition and health benefits for graduate students with prestigious national fellowships and also graduate students on training grants. The amount collected each year has continued to grow as more and more grants become subject to the policy. Because the Graduate School receives more money than it requires for the above purpose, a portion is now used for supporting doctoral student travel and dissertation fellowships. In addition, \$700,000 from the tuition charges was redirected by the administration to help close the deficit created by rescission of State support.

March 27, 2015. The committee met with the Vice President for Research, Jeff Seemann, and Assistant VP Andrew Zehner to discuss intellectual property and proposed changes to the license back policy. Insufficient time remained to discuss other items, and VPR Seemann offered to meet with the committee again at its earliest convenience for further discussion.

March 30, 2015. The committee met with the Vice President and Chief Financial Officer Scott Jordan. The Provost had recently informed the Senate that the University was projecting a budget deficit of \$40 million or more. The projection was based on the Governor's budget proposal as well as the State's fiscal situation. VPCFO Jordan answered questions about the causes and effects of the projected deficit. Also discussed were the University's bond rating, reserves, fringe rates, the Athletic Department budget, and the University's collective bargaining contracts.

April 6, 2015. The committee met to consider the data that had been gathered regarding the tuition charges. The members present agreed upon several conclusions and recommendations, to be discussed further at our next meeting. The committee charged the chair with drafting the report.

April 20, 2015. The committee met again with Vice President for Research Jeff Seemann to discuss research funding, the cost of doing research, and the tuition charges to grants in particular. It was noted that FY 16 fringe rates for personnel on sponsored projects have been announced, and they are increasing dramatically, for GAs in particular. The reasons for the increase were discussed, as well as the likely effects. The VPR Seemann has offered to cover half of that increase for FY 16 out of the OVPR's share of indirect cost returns if the deans will pick up the other half, a proposal that received much support from committee members. In addition, there was a good deal of support for the OVPR's new centralized Proposal Development Service. The use of indirect cost returns was also discussed.

Following the VPR's departure, the committee further discussed the conclusions and recommendations to be made in its report to the Senate on tuition on grants. The recommendations are: reduce or eliminate the 60% charge, continue providing supplemental support for graduate students with prestigious fellowships and awards, and consider other ways to find matching funds for training grants.

The committee's discussion of the tuition on grants report continued by email as the report went through several rounds of revisions. A motion was made and seconded on April 27 to adopt the report in its current form (Bansal/Nair). Discussion ensued. The motion was adopted on April 28.

Respectfully submitted,

Thomas Bontly, 2014-15 Chair, on behalf of the Senate University Budget Committee