

Report on Faculty Involvement with and Influence on the University Budget

Presented by the Faculty Financial Affairs Committee to the Faculty Senate on April 9, 2019

On November 20, 2018, the Faculty Senate charged the Faculty Financial Affairs Committee to prepare a report on faculty involvement with and influence on the university budget and finances. The charge reads:

The Faculty Senate charges the Faculty Financial Affairs Committee to investigate the current role of SU faculty in budgeting and finance at SU. A report of the investigation is to be submitted to the Faculty Senate no later than April 2, 2019, to be presented at the April 9, 2019 meeting of the Faculty Senate. The report should describe current faculty input into the budgeting cycle, any influence the faculty may have over financial decisions, and the methods and frequency with which budgeting and finance decisions and impacts are communicated to faculty. The report should also consider and make recommendations on improvements, if any, which should be made in any of the aforementioned areas.

The report is presently submitted in fulfillment of that charge. The report summarizes the current state of affairs regarding the budgeting process, faculty input into the process, faculty influence over financial matters, and communication to faculty about the university's finances and budget. The report then provides a brief analysis of important points and concludes with recommendations for further improvements.

Current State of Affairs

The Budget Process

The current budgeting process for academic departments is as follows:

1. Department chairs and program directors are provided with past years' expenditure reports.
2. Past expenses and anticipated future needs are combined into a budget, which is then submitted to the appropriate dean.
3. School deans then consider total department requests, making adjustments as needed to adhere to limits set by the provost, including the budget for the dean's office itself.

Unexpected expenses encountered by departments currently may be covered from multiple levels, including the dean's office, the provost's office, or financial affairs directly. Requests for these funds may come from faculty, staff, or students at any time, and funding decisions are left to the discretion of those in control of the funds (dean, provost, etc.). Details of the current budget process and how discretionary funds are spent varies from unit to unit.

However, with the upcoming fiscal year (2019-2020), the budget process is being changed to a more decentralized model. It is unclear exactly what impact this will have on faculty input into the budget process. The individual budgets for units and departments will be lower for the coming year because the required set-asides are being removed from the budget prior to splitting funds out to the units and departments, whereas under the old process the budgets were split first and then any unused funds were put towards those required set-asides. In the future, departmental budgets may be tied to credit hours taught.

Input into the Budget Process

Department-level Input

As discussed above, department chairs and program directors have direct input into and responsibility for creating their departmental budgets, but not final say over what funds are ultimately allocated to them.

Departmental faculty members can make requests for funds to their chair or director, who then decides whether to include those requests in the whole department's budget request. It is important for the faculty to ensure that any planned/proposed activities that require funding to be submitted to the department chair at least a year ahead so the activities can be included in the departmental budget for the upcoming fiscal year. The fiscal year starts on July 1 and most budget decisions are made nearly a year earlier.

University-level Input

Representatives from the Faculty Welfare Committee (FWC), the Faculty Financial Affairs Committee (FFAC), and the Faculty Senate Executive Committee have seats on the Strategic Planning and Budgeting Committee (SPBC), but the SPBC is still overwhelmingly composed of administrators (deans; representatives of various administrative departments such as Financial Affairs, the Office of Institutional Equity, University Analysis, Reporting & Assessment, etc.; the President; the Provost; etc.).

The Faculty Senate can make recommendations to budget decisions, but only if they are aware of these decisions. Often, the Senate is not aware of such decisions until things have already been put into motion.

Faculty, including the Faculty Senate, have only a very indirect say in setting the budget priorities. The Senate can make recommendations, as discussed above. General faculty only have influence by expressing concerns to Faculty Senators to be addressed through the aforementioned Senate procedures or to their chair, director, or dean, in which case those

concerns have to garner enough concern at each level to keep getting passed up through the administration.

Influence on Financial Decisions

Senate recommendations carry some weight in terms of administrative consideration, but the Senate has no direct veto power or ability to direct funding to specific projects.

The faculty at large have essentially no documented influence, aside from the ability to advocate for specific issues with their chairs or directors, with the Senate, or with administration. The budgeting decisions solely rests with the department chairs, directors, deans, and the provost. Proposed high priority initiatives may be referred to the SPBC for feedback, although the final funding decisions are still made by the relevant administrators. In these situations, the faculty members of the SPBC have an opportunity to voice concerns or advocate for funding.

Communication Regarding the Budget and Finances

The Office of Finance & Administration provides once a semester updates to the FFAC. Several years ago, the FFAC coordinated with the VP of Finance to have budget reports made directly to the Faculty Senate at least once per academic year; this practice has been continued since then, although without direct FFAC involvement. This direct communication of the budget to the senators and ability to ask any questions regarding the budget helps in making the budget process more transparent. These updates have been in place for several years. Within the past two years, the presence of faculty representatives on the SPBC is making approximately monthly updates possible. All of these updates are high level and generalized, and provide information and opportunities to ask questions, but not chances to give input on the budget. The SPBC is focused on the creation of SU's next strategic plan, which should inform future budget decisions, but the SPBC does not make direct recommendations regarding the budget.

The Faculty Senate has been providing notes from the yearly update and the SPBC meetings to all faculty. Updates to the FFAC come to the committee and are not distributed outside the committee. The information should be included in the committee's year-end report, but those reports are not announced or specifically distributed and are difficult to find.

Analysis

Communications have improved from even a few years ago, but it is unclear how much is necessitated by the current policies in place, other than keeping the faculty at large informed of administrative financial priorities.

Formally, faculty and university financial decisions are connected through the Faculty Financial Affairs and Faculty Welfare Committees (FFAC and FWC, respectively). These committees are supplemented by Senate members participating in the Strategic Planning and Budgeting Committee (SPBC). The FFAC is currently too small to reliably represent the whole faculty, and its members are not in a position to be able to make sufficiently informed decisions

about things that have such import for the university as a whole. As a result, the FFAC is not positioned to make recommendations on financial priorities for the university. The FWC is primarily focused on analyzing the compensation and treatment of faculty, so a broader view of finances is out of scope of their charge. While Faculty Senate, FFAC, and FWC participate in the SPBC, their role is more informational and the SPBC process does not discuss specific, current spending issues.

Administration -- including program directors, department chairs, and deans -- are better positioned to understand the welfare and financial situation of the university as a whole and therefore have appropriate jurisdiction over high-level budget decisions. The Faculty Senate is not positioned to understand these issues as thoroughly as administration, although better communication regarding these issues could be established.

Recommendations

The FFAC should continue to create SPBC meeting notes and the annual committee reports. Minutes of FFAC meetings should be posted in a location accessible by faculty.

The current structure of the FFAC is best suited to targeted budget-impact reports, rather than broad-scope investigations. As such, it is currently underutilized by the Faculty Senate and could be more involved in evaluating faculty questions regarding the budget. If asked to review specific proposals which involve potential costs, a budget impact evaluation should be included as part of the report.

In a broader context, university administration should be expected to provide more transparency with respect to regular expenses (at a more detailed level) and about project funding and tradeoffs. This transparency could be evaluated by the FFAC and presented to the Faculty Senate.

The full Faculty Senate may consider establishing a concrete document enumerating and explaining the current faculty financial priorities. The FFAC could then be integrated as an instrument to evaluate and report on the feasibility and status of achieving those priorities. The creation of such a document could involve more periodic faculty surveys about what they view as the current long- and short-term spending priorities.

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