

Policy Council on Planning & Budgeting

Monday, November 15, 2004,

3:00 - 4:30pm

354 Tigert Hall

Attendees:

Frank Bova
Anthony Brennan
James Cusick
Jim Pettigrew
Naomi Young

Absent:

Tom Hollinger

Guests

Gene Hemp

Meeting was called to order by the Chair at 3:08 pm. A motion to approve the minutes from the past meeting, 8/6/2004 was requested. Frank Bova moved and Jim Pettigrew seconded it. The minutes were approved by unanimous vote.

Chair's Remarks:

- The chair informed the members of the upcoming meetings that were scheduled. There will be a meeting with the Chairs of the Policy Councils on 11/16/2004, a Faculty Senate meeting on 11/18/2004, a "Special" Senate Steering Committee meeting on 11/19/2004 and the next scheduled Planning and Budgeting meeting to be held on 11/22/2004. The committee members were informed that the "Special" Steering Committee meeting was to make recommendations to the Senate and President Machen. President Machen will also advise the Policy Council Chairs what it is he is looking to be done, what is needed and a brief overview of the status of each.
- Jim Cusick then advised each member that there was expressed concern at the last Steering meeting that no individual from the (present) Policy Council or Steering Committee was serving on the Search for the new Provost. The Provost and his office will serve as the link to the Administration for this Policy Council. Steerers recommended that someone be on the Committee and will discuss at "Special" Steering meeting scheduled.
- Jim Cusick then addressed the past meeting held at which Sheri Austin spoke regarding the budget cycle. Jim Cusick provided an overview of his recollection however Gene Hemp, guest speaker advised that would discuss further when he spoke.

Gene Hemp's Discussion:

Gene Hemp provided in-depth insight on the budget process based on his experience. He began by stating that there are generally three budgets at any one time: the current budget, the budget for the next fiscal year, and plans of the Legislative Budget Request (LBR) for the budget two years out. The most intense time is from January through

August when all three are really active.

In the past budget hearings were held in February/March time frame with the Deans & Directors. This is when all three budgets are discussed and requests for new resources are made for the next fiscal year. During the discussions there were three major issues:

1. Problems for the current fiscal year that the Provost's Office should be aware of.
2. Requests for resources for the next fiscal year? What are priorities and how will these new resources help get the unit there?
3. Legislative issues or concerns for the current Legislative session or for the next one?

The budget for education is based on three principal sources: General Revenue (GR) i.e. the State collecting tax revenue, Educational Enhancement (or Lottery) Trust Fund (EETF or LTF), and the Incidental Trust Fund (ITF). The Tax Revenues are released on a quarterly basis. The University budget is based on the legislative appropriation but in some cases like the ITF the funds must be collected because the appropriation is just authorization to spend dollars from that source. The largest potential problem is the ITF portion of the budget which is collected fees including tuition, library fines parking, etc of which the tuition is nearly all of it. If the Legislative appropriation is based on too high an estimate of the ITF collections, the institution will have a mid year budget reduction because it will not have the dollars to spend. Estimating that portion of the budget is a mixture of art form and science.

If there is unspent budget at the end of the fiscal year, then the institution can carry approximately forward (CF) a portion (or all of it) or it can be used to fund some of the non- recurring needs expressed by deans and directors during the budget hearings. Carry forward too much can be dangerous because it ultimately leads to questions why University is asking for more resources and did not use all of last year's appropriation.

Tony Brennan stated that it is important to make planning and budgeting a process that stems in part from the faculty working with the Administration to make recommendations on policy regarding budgets and how the resources should be allocated. He noted that this Policy Council (Planning and Budget) should work intimately with the Deans and Provost in setting up the budget. The Council must be involved at the initial stages. Currently it is a top-down process but needs to evolve into bottom-up process.

Frank Bova questioned how to create a bottom up budget process? How to get the faculty involved? Should the Chairs of the Councils work with the Faculty Senate. Should the Deans of the Colleges report to the Policy Council Chairs?
He also noted that the Faculty should be an integral part of the request writing process.

Jim Cusick noted the importance of setting up the process and changes at the Departmental level.

He suggested the Council has two roles: to stay close to the Provost to discuss budgeting priorities of concern to faculty, and to recommend a “best practices” procedure whereby faculty and department chairs set out short-range (five year) goals for their discipline, and deans and directors incorporate these goals into their overall planning at the college level. Tony Brennan also endorsed this “best practices” idea, and Gene Hemp noted that deans and directors should always be able to answer the question “What proof can you give me (the Provost) that the faculty supports the academic priorities you are submitting for funding?” Deans and directors should be able to demonstrate that their faculty are involved in setting for the ambitions of the colleges

Tony Brennan stated that it is important that the Council is involved and working directly with the President and responsible for making recommendations on policies. They should use a five year plan. Should be looking into the next five years to determine what and where want to be and what needs to be done to get there. The Legislature should be looking to the University as a means of guidance.

The Policy Council on Planning and Budgeting should represent what it is the faculty believes is required to move the University to the next level. Administrators will make the final decision but at least the Council will provide recommendations.

A Council member should be present at each budget meeting with the Provost so that the Council is aware of what is occurring, planning for, etc.

Other Discussion:

Tony Brennan addressed the issue of the membership of councils and the proposed amendments to the Constitution that will be put forth at the next Faculty Senate Meeting on 11/18/2004. The membership of councils should be open to the Senators. The Chair of the Compensation Committee should be a voting and contributing member of this Council. Any member of a contributing member should be on as an active voting member. Gene Hemp stated that he was supportive of the amendments so long as the number of chairs added to each Council was less than the six elected senate member.

Frank Bova expressed his concern that not enough information is being filtered to the Senators before the meetings and voting.

Tony Brennan stated that the recommendations being brought forth with respect to the Policy Councils should be voted upon separately. He stated that if desired, individuals can be reelected. Some don't want to have three year terms. It was noted that the Standing Committees are three year terms.

Jim Cusick advised all members to send their comments or suggestions to recommendation 1 (in handout) to him before Friday, 11/19/2004 for his meeting with Steering Committee and President Machen.

Meeting Adjourned at 4:45pm.