

Report and Recommendations of  
the Budget and Priorities Committee to  
the University of Cincinnati Faculty Senate

4 April 2014

In performance of its duties to its charge by the UC Faculty Senate, the Budget and Priorities Standing Committee ("the Committee") has invited presentations from selected members of the UC administration, and reviewed its past, current and prospective priorities. Below are summarized the mission of the University of Cincinnati, the Committee charge, priorities of the Third Century initiative, and major fiscal commitments that UC has made during FY 13-14 that impact its central missions in education, research and clinical care. This report concludes with recommendations of the Committee.

The mission of the University of Cincinnati:

"The mission of the University of Cincinnati is our written statement of our core purpose. The University of Cincinnati serves the people of Ohio, the nation, and the world as a premier, public, urban research university dedicated to undergraduate, graduate, and professional education, experience-based learning, and research. We are committed to excellence and diversity in our students, faculty, staff, and all of our activities. We provide an inclusive environment where innovation and freedom of intellectual inquiry flourish. Through scholarship, service, partnerships, and leadership, we create opportunity, develop educated and engaged citizens, enhance the economy and enrich our University, city, state and global community."

The Committee charge:

"There shall be a standing committee known as the budget and priorities committee. It shall have seven members elected by the faculty senate, serving two-year staggered terms. The chairperson of the university faculty shall annually appoint an individual who is both a member of the committee and a member of the faculty senate to serve as the chairperson of this committee. The committee on committees shall nominate, when feasible, two persons for every vacancy of the committee. The budget and priorities committee shall examine financial matters

of the university and recommend to the faculty senate ordering of priorities for new funds and for reallocation of present resources, including specific dollar amounts. As feasible, the committee shall also suggest possible sources for new funding. One or more of its members may serve as faculty senate representative and liaison to all university committees responsible for budgets and priorities.”

During FY14, the UC administration has outlined the Third Century initiative ([www.uc.edu/thirdcentury](http://www.uc.edu/thirdcentury)) that includes five key areas:

1. Investing in faculty and staff. (e.g., Cluster hires of prominent faculty)
2. Leveraging research. (Three tracks: A (STEM), B (Humanities & arts), C (Tech transfer and commercialization))
3. Reimagining the student experience. (e.g., Scholarships and Fellowships, experiential learning, and cultural competence)
4. Excelling in e-learning. (e.g., Focused faculty development, and distance learning infrastructure)
5. Building the resource base. (Fund raising partnerships, largely through the UC Foundation)

At the time of this Statement of Recommendations, the objectives of Third Century initiative are nearly finalized. During its meetings and deliberations, the Committee has identified the following priorities for review:

1. Appointment, Reappointment, Promotion and Tenure:
  - a. Hiring of full-time faculty in the qualified and unqualified tracks
  - b. Impacts of shifting the fiscal obligation for salaries to colleges and the corresponding willingness or reluctance of deans to promote faculty.
2. Impacts and jurisdiction of Performance Based Budgeting (PBB):
  - a. Influence on academic unit size.

- b. Extension to the department level.
  - c. Consideration of research and teaching quality assessments.
  - d. Inclusion of the Athletics Department under PBB.
3. Fiscal impacts of the Athletics Department (AD) on UC's central missions:
- a. Growth rate of the AD budget and fiscal deficit.
  - b. Increased student costs.
  - c. UC obligations for AD capital construction (e.g., Nippert expansion).
  - d. Costs associated with commitments for replacement or retention of the Athletic Director and certain athletics coaches.
4. Assignment of priorities for new funds and reallocation of present resources.

In reference to priority #4, several fiscal commitments have been made by the UC administration that impact resources available currently for the academic mission. Together, these commitments total more than \$145 million, excluding numerous projects for facilities maintenance and renovation of buildings, parking structures and other facilities.

Table 1. Fiscal commitments in FY13-14.

Commitment	Amount
1. Student Information System	\$46 MM
2. Medical campus in Chongqing, China	Not disclosed
3. Funding to Cintrifuse business development.	\$10 MM
4. Multi-year contracts for a new football coach and athletic director	\$14 MM
5. Debt service on \$96 MM in bonds (20 years at 4% interest)	~\$75 MM
Estimated total	\$145 MM

Of these commitments, the Student Information System serves directly the student body, facilitates learning and telecommunications, and has finite costs. In contrast, while a medical campus in Chongqing, China may ultimately lead to increased enrollments of highly qualified students, the long-term plans and budgets (operational and capital) have not been made available within the university community for review and comment. Contributions to Cintrifuse may serve to stimulate economic development of small companies in the business community, but these high risk investments have no assurance of delivering any measureable benefits to UC. During the past 2 years, UC made commitments for recruitments of a new football coach and an athletic director, and sold bonds for the expansion of Nippert Stadium. Concurrent with these substantial fiscal commitments, the UC faculty and staff have sustained repeated years of salary stagnation, have faced the prospect of a significant reductions in healthcare benefits, and faculty in the American Association of University Professors (AAUP) served without a contract from Sep 2013 - Mar 2014.

With service to the stated mission of the university as a first priority, the Committee provides the following recommendations to the Faculty Senate:

1. Appointment, Reappointment, Promotion and Tenure:

- a. Provide greater fiscal support for a broad base of tenure-track faculty hiring. New academic programs should have as broad a base of tenure-track faculty participants as possible.
- b. Evaluate the impacts of shifting the responsibility for salary increases at the college level on the discouragement of deans from promotion and tenure of faculty. If so, provide resources for deans to keep faculty salaries in parity with inflation, and to reward high performers with promotions and merit increases.

2. Performance-Based Budgeting (PBB) should:
  - a. Be uniformly applied to, and include assessments appropriate for academics, administration and athletics. Budgets of these areas should have comparable incentives for outstanding performance, and requirements to remain within budget constraints.
  - b. Be evaluated in the context of the size of the academic unit. Smaller academic units should not be subject to fiscal disparity.
  - c. Be extended to the department level to allow for evaluation of fiscal practices, resource utilization, and quality of research and teaching among academic departments, in addition to colleges.
  - d. Include assessments appropriate for academics, administration and athletics.
3. Initiatives that propose multi-year commitments of more than 1% of the annual university budget should be evaluated for consistency with the central missions of the university. Proposals of such magnitude should be submitted for broad-based review and comment to a cross-section of the university community, including the constituencies from among the three areas of academics, administration and athletics before presentation to the UC Board of Trustees for approval.

Respectfully submitted,

Adrienne Lane, EdD, RN, CNE; UC College of Nursing (Chair)

Steven Boyce, PhD; UC Colleges of Medicine, and Engineering and Applied Science

Chia-Chi Ho, PhD; UC College of Engineering and Applied Science

Anastasios Ioannides; PhD; UC College of Engineering and Applied Science

Kent Lutz, MBA; UC Blue Ash College

Hazem Said, PhD; UC College of Education, Criminal Justice and Human Services