

Faculty Senate Standing Committee Annual Report (2013-2014)

Standing Committee:	Budget and Priorities	Prepared By:	Adrienne Lane, Chair	Date: May 3, 2014
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Committee Charge:	<p>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 budget and financial affairs.</p>
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Committee Membership (Faculty Names, College, Term Years):
<p>Hazem Said, CECH, 2012-2014 William (Kent) Lutz, UCBA, 2012-2014 Steven Boyce, Med, 2012-2014 Anastasios Ioannides, CEAS, 2013-2015 Chia-Chi Ho, CEAS, 2013-2015 Daniel Acosta, Pharmacy, 2013-2015, resigned committee 12/2013</p>

Meeting Dates during 2013-2014:	<p>September 11, 2013 October 10, 2013 November 14, 2013 December 11, 2013 January 8, 2014 March 13, 2014 April 2, 2014 April 9, 2014</p>
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Committee Activities and Key Actions during 2013-2014:
<ol style="list-style-type: none"> 1. Reviewed Committee charge, Integrated Decision Making Model (President's website), and the Budget as found at http://www.uc.edu/content/dam/uc/af/budgetfinsvcs/docs/budgetbookfy13.pdf . Committee charge on the website is incorrect: it ends with 'academic affairs'...it should read 'budget and priorities'. Request made to Patty Gilbert, FS Admin, to correct. 2. The Committee invited Kathy Qualls to present. Kathy Qualls brought copies of the FY2014 PBB Progress Tracking Year-End projections based on August PBB Reports draft, dated 9/26/13, for each UC College (see attached). She 'walked' the committee through the report line by line providing explanations for each. She shared these reports are available in November, Feb/March, and end of

fiscal year. These reports can be requested from Kathy Qualls, Neal Stark, or Lee Mortimer. In her review she stated that Summer is the leading term for PBB purposes.

3. Key areas to review for the committee included:

a. ARPT:

- hiring of FT, tenure track faculty (and metrics of faculty turnover?)
- impacts of salary increases on colleges' and Deans' willingness to promote faculty

b.. PBB impacts and jurisdiction:

- vs academic unit size
- extension to the department level
- inclusion of research and teaching quality assessments
- whether Athletics is include

c. Escalating fiscal impacts of the Athletics Department on UC's programs and mission:

- disproportionate growth rate of the AD budget and fiscal deficit
- fiscal burden on student fees
- costs to UC for financing and/or contributing directly to AD capital construction (i.e., Nippert luxury boxes).

4. In December the Committee invited Jim Plummer and Bob Ambach to present about the budget. Jim distributed and reviewed the University's Budget Calendar noting the guideline to share the Working Budget with FSBPC in Mid-November and share the FY2015 Budget and FY2014 projections in Mid-April. Jim further shared 2 scenarios for FY2015 Working Budget. Jim reviewed the Working Budget line by line with explanation to and discussion with the committee. Jim shared that the new SSI formula at this time is advantageous to UC. He stressed that the All-University Town Hall meetings in December/January are open to all. Bob Ambach and Jim Plummer returned to the Committee in April to present the proposed university budget. Both the fall and spring presentations by Finance are designated as a component of Integrated Decision Making and Shared Governance.

5. The Controller's Office notified previous

Chair, Dan Langmeyer that, due to a change in the UC budgeting process, the office has quit printing the "Red Book". Past FSBPC chair, Dan Langmeyer, tracked schedules published in the "Red Book". Carol Metzger, the Controller, invited Dan Langmeyer, Adrienne Lane, and Richard Miller to meet with her and 2 staff members to review which of the schedules in the "Red Book" would FSBPC need on an ongoing basis. The listing of these schedules is available in the FSBPC Minutes of 12/11/13.

6. Whit Babcock, Athletic Director, was invited to present. Whit resigned from the University. Such presentation was deferred.

7. The Committee wrote a white paper specific to faculty recommendations relative to the University budget. The white paper was supported by Cabinet and by the Faculty Senate (4/10/14). The white paper is available on the Faculty Senate website and attached to this report.

8. The FSBPC had a very active year. Kudos to all members. Thank you for an excellent year!

Committee Recommendations or Follow-Up for 2014-2015:

1. 2014-2015 agenda item recommendation includes proactively championing a campaign focused on creating a budget with costs and goals prioritizing faculty salaries and benefits.
2. Request Faculty Chair follow up on Budget and Priorities White Paper supported by Faculty Senate on 4/10/14 and sent to Bob Ambach and Beverly Davenport on 4/11/14.
3. Invite Bob Ambach and Jim Plummer to return and discuss capital/construction debt commitments of the university, including the Nippert renovation.

**Respectfully submitted,
Adrienne J. Lane, Chair
May 24, 2014**

Report and Recommendations of the Budget and Priorities Committee to

The University of Cincinnati Faculty Senate --- 10 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) 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. 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