

Faculty Senate Resolution Regarding the University's FY2009 General Funds Budget

After reviewing the proposed general funds budget for FY 2009, as of January 31, 2008, the Faculty Senate makes the following observations for consideration by the University administrators who will make the final decision on the allocation of the FY 2009 general funds budget.

- Enrollment growth must be accompanied by a corresponding allocation of funds for tenure-track faculty lines to teach those students (at least within two years, when they begin taking upper-level classes). To do otherwise is to compromise academic quality. New faculty lines that have been allocated in the past two years have not replaced those who have retired or left. There is an increasing reliance by the University on nontenure-track faculty. The current proposed budget contains nothing to reverse this trend.
- Large amounts of money are being transferred to support auxiliaries and astounding increases in debt service. The annual financial statement for FY2007 Schedule D shows that the accumulated fund deficit for central campus auxiliaries was \$36 million, an increase in the accumulated fund deficit of \$11 million over the previous year. This deficit is not decreasing, as was predicted by the administration, but is increasing at an alarming rate. The accumulated deficit is understated, because a \$15 million transfer from general funds last year covered some of the deficit. How long will these deficits be allowed to continue? Where is the light at the end of the tunnel?
- The proposed budget, if all items with amounts are fully funded, shows a deficit of \$28 million (without any academic additions from the provost). The university cut \$27 million in FY 2007 and forced the payback of college deficits in FY 2008. An additional \$28 million budget cut in FY 2009 will clearly compromise academic quality, which is counter-productive, given the ambitions of the current capital campaign.

Because claims have been made in the past about the University's budget problems being related to the growth in faculty salaries, we report the following trends in faculty salaries (including benefits), compared to trends in general fund revenues. All amounts were found in the audited financial statements of the University and are in thousands. The table below shows a dramatic increase in general fund revenues and a decline in the relative amount spent on salaries and benefits.

	Revenue	# of Faculty	Salaries & Benefits	Salary as a % of Revenue
Fiscal Year 1995	\$488,968	1,926	\$128,148	26.2%
Fiscal Year 2005	\$837,157	2,161	\$190,408	22.7%
Percentage Growth (decrease)	71.2%	12.2%	48.6%	(13.4%)

Whereas the budget report attached reflects a disconnect between budgetary planning and academic priorities;

Be it resolved that the budget should start with academic needs, not with the needs of the auxiliary and administrative units. Therefore the Faculty Senate asks that the Provostal priorities be given the highest priority for funding in the FY 2009 Budget.