

IUPUI Budgetary Affairs Committee Minutes
September 15, 2009
UL 1116

ATTENDING: Rachel Applegate, Alejandro Arrieta, Trudy Banta, Camy Broeker, Patricia Ebright, John Hassell, Barbara Hass Jacobus, Robert Hickey, Keith Morran, Mohamed Razi Nalim, Jacquelynn O’Palka, Mathew Palakal, Stephen Randall, Dawn Rhodes, Reed Smith, David Westhuis, Marianne Wokeck

Hassell called the meeting to order at 12:34pm.

Introduction of Members

Excerpt from IUPUI Faculty Handbook Applegate

Presentations by Finance & Administration Rhodes & Broeker

- Reductions of vacated positions for non-faculty: After July 16, 2009, if a non-faculty position paid from the general fund is vacated 50% of the base salary & compensation that was budgeted for the vacated position is transferred to a budget reduction account for each school. No appeals are allowed. New positions can be added to replace the staff, but the 50% will still be pulled from the old position. In the future, schools will be given budget reduction targets to meet. Once the target has been met, funds from the vacated positions will no longer be pulled.
- Travel reduction: Effective immediately, 50% of all travel funds from the general account were moved into the budget reduction account for each school. After the initial travel reduction was put into place, discussions with the President’s office centered around the importance and necessity for faculty travel as part of the faculty development and program development. Accordingly, IU revisited the 50% reduction in travel so that travel paid for by funded research and travel for revenue generation were not covered, and to allow units to move amounts from other budget lines to support faculty travel.
 - Wokeck: Questions related to these reductions and how they are reported should be considered in preparation for budget hearings.
 - Ebright: Can travel budgets be restored for next year? Broeker: Unknown at this time.
- Travel cuts netted about \$1.9M. Position cuts have netted just over \$1M.
- The IUPUI target is to accumulate \$8.6M between travel & position cuts and other actions. These targets will soon be shared with the Deans and Chief financial officers of each unit.
- Cash (current budget): The cash portion of the 2009-10 budget (funded by stimulus money) will soon be moved to the budget reduction account for each School. Schools will be allowed to use the cash portion of the current budget to fund one-time expenditures.
 - Applegate: In future, we will need to clearly know which policies are temporary and which are permanent.
- Any base salary increase has to have approval of the IU Vice President. Requests are reviewed at campus level then sent to the Vice President’s office. (No control over timing of the responses from the Vice President’s office). Additional pay for some requests and adjunct pay requests are being approved at the campus level. Volume (versus rate) increases are not an issue. Documented processes for tiered salaries are being allowed if they existed at the time the policy was enacted.
- President McRobbie and the trustees were in support of the recent tuition and fee increases. The \$300 incentive grant was a response to Senator Kenley’s objection to the fee increases. The schools pay the incentives. Undergraduate, in-state students must have 3.0 in both fall and spring semesters to receive the incentive, which will be credited to students the following

fall with the exception of graduating seniors. Current plans are that funds will be encumbered as a reduction from this year's income.

- 2009-2010 Overall budget (handout) totals just under \$1.2B
- Enrollment shaping initiative (ESI) report 2008-2009 (handout) pertains to tuition income from undergraduate, non-resident students. Administration took a three-year average of each school's non-resident credit hours to create a baseline for each school. The report discussed shows the dollars associated with the increase in credit hours over their historical baseline. 100% of the tuition income goes to school of the instructor on record; then 50% is transferred to VC Sukhatme's enrollment shaping account. IN 2009-10, the intention is to show the amounts sent to VC Sukhatme as tuition adjustment so that tuition will be shown net of amounts sent to VC Sukhatme. For 2008-09, just under \$6M income was generated, and \$3M stayed with schools and \$3M went to VC Sukhatme's ESI account. Hassell: Should be a transparent process in place detailing the distribution of the Dean's ESI funds.
- BAC and Resource Planning Committee (RPC) are in place to advise Chancellor Bantz and VC Sukhatme in decisions. The RPC has recently been restructured in an effort to make the process more effective.

Presentation by Trudy Banta

- On Wed., Nov. 4, 2:00pm-3:30pm (tentatively in the Campus Center), Chancellor Bantz will meet with this year's and last year's BAC and RPC members.
- Even though this is not a state budget year, the RPC will begin conversations regarding the structure of the budget and planning meetings to be held later this year. Deans' reports are due in November. All questions will be put on the web. In 2009, the majority of the hearings take place on Saturdays to give people the maximum opportunity to attend the hearings.

Resource Planning Committee

- (Handout) Committee was restructured; deans rotated on/off committee every couple of years. Agenda items for the year were shared with BAC.
- Rhodes: please give concrete examples of what faculty mean when they say "transparency."
 - Stewardship transparency – how is the money being spent? (Smith)
 - What is the financial model upon which Deans' decisions should be based? Deans need resources that make it possible for them to understand the processes in a short amount of time so that they can make educated planning decisions. (Smith & Wokeck)

2009-2010 Agenda

- Items for the next BAC meeting:
 - Discuss BAC input into budget hearings.
 - Consider Saturday time frame for budget hearings or whether they need to be M-F.
 - What else do we want on this year's agenda?

The meeting was adjourned at 2:00pm.

Next meeting:
Tuesday, October 20, 2009
12:30pm-2:00pm
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