

MEMORANDUM

TO: Fort Wayne Senate

FROM: Jeffrey Malanson, Presiding Officer
Fort Wayne Senate

DATE: March 24, 2017

SUBJ: University Budget Committee Report and Recommendations

WHEREAS, The University Budget Committee (UBC) is annually charged by the Chancellor to make recommendations to the administration on budgeting priorities for the next fiscal year; and

WHEREAS, UBC is composed of representatives of each of the major academic units, each of the major administrative areas, the Indiana-Purdue Student Government Association (IPSGA), the Clerical & Service Staff Advisory Committee (CSSAC), the Administrative & Professional Staff Advisory Committee (APSAC), the Fort Wayne Senate, and the Senate's Budgetary Affairs Subcommittee (BAS); and

WHEREAS, The Presiding Officer of the Fort Wayne Senate represents the Senate as an ex officio member of UBC; and

WHEREAS, The members of UBC prepared a Report and Recommendations for Fiscal Year 2018 and endorsed that document by a vote of 14 in favor to 0 opposed; and

WHEREAS, UBC exists as a shared governance process at IPFW; and

WHEREAS, Senate Document SD 16-26 defines shared governance processes "focused on producing a discrete product" such as the UBC Report and Recommendations as being "limited-term [shared governance] processes"; and

WHEREAS, SD 16-26 states that "Whenever faculty participate in a limited-term shared governance process, the results of that process shall be submitted to the Senate for review";

BE IT RESOLVED, That the UBC Report and Recommendations is being submitted to the Senate by the Presiding Officer for review under the terms of SD 16-26.

University Budget Committee Report and Recommendations for FY 2018 Budget

UBC Membership, 2016-17

Member	Representing
Walter Soptelean	Budget and Planning – Chair, Ex Officio (non-voting)
Steven Carr	College of Arts and Sciences
Patricia Eber	College of Health and Human Services
Craig Humphrey	College of Visual and Performing Arts
James (Wylie) Sirk	College of Education and Public Policy
Sue Skekloff	Helmke Library
Michael Slaubaugh	Richard T. Doermer School of Business
Jin Soung Yoo	College of Engineering, Technology, & Computer Science
Steve George	Financial and Administrative Affairs
Diana Jackson	Advancement
David Reynolds	Student Affairs
James Hoppes	Indiana-Purdue Student Government Association
Josh Bacon	Clerical & Service Staff Advisory Committee
Cassandra Bracht	Administrative & Professional Staff Advisory Committee
Cigdem Z. Gurgur	Budgetary Affairs Subcommittee
Jeffrey Malanson	Fort Wayne Senate – Ex Officio (non-voting)

The members of UBC voted to endorse this Report and Recommendations by a vote of 14 in favor to 0 opposed.

Introductory Note

In Fall 2016, the central administration established parameters for the FY 2018 budget process, the most important of which was projecting a 3% decline in student enrollment for academic year 2017-18. While the Early Retirement Incentive Program (ERIP) and other initiatives carried out in Fall 2016 have resulted in significant cost savings in both current and future fiscal years, the members of UBC greatly appreciate receiving FY 2018 budget proposals from the administration that call for further reductions in spending.¹

Beyond budgeting to a projected 3% decline in enrollment for 2017-18, the budget process parameters established by the administration also provide guidance if enrollments decline by less than 3%. Specifically, the parameters call for revenues in excess of current projections to be invested in reserves. Beyond the recommendations included below, and in light of current uncertainties surrounding future IPFW budgets and transition costs associated with Realignment, the members of UBC fully support efforts to both budget conservatively and put money into reserves to safeguard the university against unknown future expenses.

The budget presentations made by Senior Administration on Monday, March 20, 2017, did not include any requests for new funding for FY 2018. Financial and Administrative Affairs,

¹ The one exception to this is the budget proposal for Financial and Administrative Affairs, which calls for an increase of \$1,075,013. This increase can be entirely attributed to an increase of \$1,462,864 in the ITS budget, which was significantly underreported for FY 2017 due to a budget accounting error.

Academic Affairs, and Student Affairs put forward requests for new funding in the event that IPFW exceeds budgeted revenue, and Academic Affairs recommended a reallocation of resources within its area. Financial and Administrative Affairs and Academic Affairs also put forward potential policy changes for UBC to evaluate.

The first section of this report discusses and prioritizes the requests for new funding in the event that IPFW exceeds currently budgeted revenues. The second section discusses other issues in the budget presentations. A final section proposes some long-term budgeting priorities for the administration to consider.

Recommendations on Administrative Budget Requests

This section is presented by area, with UBC's prioritized recommendations appearing at the end.

Chancellor

The Chancellor's area presented a budget for FY 2018 that calls for a 3.61% (\$41,676) reduction.

Financial and Administrative Affairs

Financial and Administrative Affairs presented a budget for FY 2018 that does not request new funding, but does restore funding that was not allocated to ITS in FY 2017 due to a budget accounting error.

In the event that IPFW exceeds currently budgeted revenues for FY 2018, Financial and Administrative Affairs has recommended "a modest pay increase campus wide" or a one-time payment to all eligible employees.

1. UBC endorses a one-time payment to eligible employees in the event that IPFW exceeds currently budgeted revenues for FY 2018. While UBC would certainly like to see a modest raise, given current long-term uncertainties surrounding IPFW's budget UBC believes that a one-time payment is more responsible than a recurring commitment. The current academic year (2016-17) has been one of the most difficult in IPFW's history due to the convergence of enrollment declines, budgetary shortfalls, academic restructuring and program closures, the ERIP, and the Realignment process. A one-time payment to all eligible employees—in the event that IPFW has sufficient surplus revenues, or identifies sufficient non-recurring funds—is an appropriate investment by the university in its workforce and the retention of that workforce.

Academic Affairs

Academic Affairs presented a budget for FY 2018 that calls for a minimum reduction of 1.53% (\$611,815). Academic Affairs identified reductions totaling 2.05% (\$820,379), but is requesting that the variance between a 2.05% reduction and a 1.53% reduction (\$208,564) be moved to the Academic Affairs Unfilled Position Reserve (UPR).

2. UBC endorses moving the \$208,564 identified by the VCAA to the Academic Affairs UPR, but only if current budget projections for IPFW's state allocation for FY 2018 do

not decrease and this money is not needed to make up the difference (Purdue guidance budgets for a projected increase of \$1.3 million to our state allocation).

Academic Affairs has also requested that in the event that IPFW exceeds currently budgeted revenues for FY 2018, a portion of that budget surplus be invested in the Academic Affairs UPR.

3. UBC endorses investing additional monies in the Academic Affairs UPR, but only in the event that revenues for FY 2018 greatly exceed currently budgeted revenues, and significant resources are able to first be invested in building up IPFW's reserves.

Enrollment Management

Enrollment Management presented a budget for FY 2018 that calls for a 1.53% (\$55,586) reduction.

Advancement

Advancement presented a budget for FY 2018 that calls for a 1.53% (\$26,615) reduction.

Student Affairs

Student Affairs presented a budget for FY 2018 that calls for a 10.85% (\$204,890) reduction.

Student Affairs, due to how thinly its resources are already stretched, has been hit especially hard by the ERIP and hiring freeze. As a result, Student Affairs has submitted a prioritized list of investments in the event that IPFW exceeds currently budgeted revenues for FY 2018:

4. Career Diversity Counselor in Career Services (\$60,000, including benefits)
5. Bridges Peer Mentors (\$20,000)
6. ODMA Coordinator for Male Programming and Bystander Training (\$49,000, including benefits)
7. Converting LBGTQ Resource Center position from a part-time undergraduate student to full-time staff (\$30,000 in new funding, including benefits)
8. ATOD (Alcohol, Tobacco, and Other Drugs) Educator (\$48,000, including benefits)

UBC endorses all of these position requests in the event that IPFW exceeds currently budgeted revenues for FY 2018.

UBC Prioritization

In the event that IPFW exceeds currently budgeted revenues for FY 2018, UBC endorses the primary importance of building back up the university's reserves. These reserves act as a bulwark against future economic uncertainties, and are especially important in light of significant Realignment transition expenses that are not currently being funded.

Despite the need to build up reserves, UBC also believes that the previously discussed requests for new investments should be funded in the following prioritized order as resources allow:

1. VCAA Unfilled Position Reserve reallocation, if the funds are not needed to make up for a decrease in the currently projected state allocation

2. Career Diversity Counselor in Career Services—This position seems especially critical in light of how hard Career Services has been hit by the hiring freeze; UBC advocates that this position be funded if at all possible, even if the administration determines that it is not possible to fund the rest
3. Bridges Peer Mentors
4. ODMA Coordinator for Male Programming and Bystander Training
5. Converting LBGTQ Resource Center position from a part-time undergraduate student to full-time staff
6. ATOD Educator
7. Additional investments in the Academic Affairs Unfilled Position Reserve

In weighing all of these future needs, UBC also sees real value in providing a one-time payment to all eligible faculty and staff. This payment could come from budget surpluses or from non-recurring funds, but would have a positive impact on employee morale at a very critical time. UBC decided not to include this item in the list of prioritized investments due to both the significant financial resources it would take, and the possibility that at least part of this one-time payment could be made using non-recurring funds.

Recommendations on Policy Changes

Financial and Administrative Affairs

UBC encourages the administration to investigate the possibility of assessing a usage fee on credit card transactions as a means of recovering a portion of the Bank Charges S&E expense within the Financial and Administrative Affairs budget.

Academic Affairs

The VCAA proposed two policy changes related to the Unfilled Position Reserve (UPR). First, the UPR should be transformed from a “parking lot” into a budgeted General Fund account to reflect its true nature as a short-term repository of General Fund Salaries and Wages dollars rather than a “reserve” account. Second, the UPR should be divided into two distinct accounts: the recurring General Fund account discussed above, and a VCAA reserve account for non-recurring dollars that accrue over time in the UPR. Such a separation would allow for clearer accounting practices, but would also allow for more efficient use of the university’s economic resources. For example, non-recurring faculty positions (such as one-year or short-term visiting faculty positions) could be funded using non-recurring dollars from this VCAA reserve account rather than using recurring dollars from the UPR.

UBC endorses both of these policy changes.

Long-Term Considerations

While non-recurring expenses associated with Realignment can be handled through expenditures from reserve accounts if needed, in establishing long-term budgeting priorities for the university it is essential that the administration identify appropriate ways of addressing recurring expenses resulting from recent and ongoing events, including Realignment, the ERIP, the hiring freeze, and changes in national and state budgets. These efforts should strive to protect the interests of

university faculty, staff, and students and be consistent with the core academic mission of the university.

These priorities should include:

- Addressing issues of faculty and staff pay compression and equity
- Strategic replacement of staff lost to the ERIP and hiring freeze, with a special emphasis on essential custodial services for maintaining the appearance and cleanliness of the university
- Maintaining and replacing library services and resources lost as a result of Realignment
- Making additional resources available for staff professional development that might not be fundable through existing department or unit budgets; these resources could potentially be most equitably distributed through the auspices of APSAC and CSSAC in a similar manner to how the faculty Senate's Professional Development Subcommittee evaluates faculty applications for research grants and sabbaticals
- Creating a pool of money to help replace grants the university currently receives from national and state funding agencies that might be lost due to changes in national and state budgets; such a pool should primarily focus on replacing grants that impact students
- Continued support for the needs of faculty and staff displaced as a result of academic restructuring and program closures

All of these are points of significant concern that impact the retention of faculty and staff, as well as the recruitment, retention, and support of our student population.