

**Minutes: Faculty Council Budgetary Affairs Committee**  
**Thursday, April 20, 2006**

Present: Ben Boukai (chair), Simon Atkinson, Trudy Banta, Bob Bennett, Peg Fierke, David Ford, John Hassell, Robert Hickey, Karen Johnson, Steven Mannheimer, Robert Martin, Keith Moore, Keith Morran, Jacqueline O'Palka, Robert Sandy, Jack Windsor, Rachel Applegate (sec'y).

Guest: Patrick Rooney

1. Minutes of March 8, 2006: no changes, moved, seconded and approved.
2. VC Martin report:

The budget is currently being finalized before being put into the system and forwarded to the Trustees. Reviewed an updated "budget issues" list: comparing estimates as of last fall with actual (to date) figures. Plant Expansion Costs, no change from \$420,000. Reflects operating costs of MISB building; the issue of lack of legislative coverage of operating costs of approved buildings is and will continue to grow in importance.

Research, no change from \$330,000. Research and Sponsored Programs office, reflects changes to correct deficiencies.

Financial Aid: general student no change from \$400,000, athletic slight increase from \$297,914 to \$308,355. Adaptive Educational Services: had been estimated at \$500,000; however, due to aggressive pursuit of appropriate reimbursement, lowered the cost to \$75,000. University System Rebasing—no rebasing will occur in 2006-2007. Bad Debt provision: estimated at \$600,000, and was covered from campus reallocation funds; comment that this will probably be an issue next year too, as part of financial issues related to PeopleSoft. Storm Water Increase: unchanged, at \$32,400 Utility Increases: due to conservation measures, reduced from \$2,000,000 to \$1,000,000 HRMS: unchanged cost of \$75,000; part of PeopleSoft.

Property/Casualty Insurance: not previously listed; went up \$44,765, a relatively minor amount.

University/Development tax: not previously listed, is now \$109,379

Question raised about "18/20" funding. Background: due to a change in accounting requirements, the campus (and system) needed to provide money for a "fund" to cover this (retirement-related) expense. For the past few years, a portion of unit revenues was diverted to pay for this funding (and also unit budgets had to reflect relatively higher fringe benefit costs). However, the "fund" is now sufficient. In future, fringe benefit costs may lower across the board.

Comments were made that the money that had been directed to this should return to its “home” vs. being diverted to another purpose. IUPUI campus (says VC Martin) would strongly object to the money being diverted from the campus.

3. The Responsibility Centered Management Study, a committee report to President Herbert.

Patrick Rooney was a member of the committee and discussed this with the BAC. The report is in draft form and is in the process of submission for a review by the President. He reviewed the process, which included representation from: 3 chancellors, 2 vice presidents, 2 deans (IUPUI and Bloomington), 2 faculty representatives (Rooney and a Bloomington person), and 2 consultants with knowledge of RCM. They interviewed a wide and deep range of people, including deans on IUPUI. Deans independently submitted letters strongly supporting RCM. The only group protest against RCM came from “name” professors at Bloomington. Issues of importance (from the charge to the committee, and their deliberations): does RCM have support? Does it provide sufficient (central) strategic flexibility? Is its implementation well understood and functional? Are service (vs. revenue) units accountable?

Some discussion about curricular cooperation / competition. Rooney and Banta said there was strong anecdotal evidence of curricular cooperation, which appeared to be stronger than the anecdotal evidence of competition.

4. Budgetary hearings.

The Chair thanks members for attending and for providing reports. He will compile the reports.

Discussion of the creation of a 1-2 page template or outline of required information, in order to organize school reports a little more coherently. An economic model, reflecting activity-based-costing, is available through the PAII office. The chair will distribute information about this, so that committee members can think of potential additional data elements. The PAII and Finance offices already provide a lot of information.

Some discussion of whether, and how, budget information or opinions from people \*other\* than school deans might be obtained. Suggestions included a paragraph from school budget committees, in the reports, or provided directly to the BAC, or memos from department chairs. Some discussion of the purpose of BAC: is its role primarily to ensure fiscal stability of units, or are there larger programmatic or pedagogical issues (with financial implications) they should attend to. A case in point is the available data on full time / part time positions by school.

## 5. Chancellor's Request

Chancellor Bantz has requested a report from BAC within the next month, so as to provide input (along with that of the planning committee and other bodies) for decisions about reallocation fund usage. The Chair requests members to think of broad-based issues that they believe could benefit from additional funding (this can be base, not just one-off, money).

Special note: There is no next meeting scheduled.

The Chair requested two things:

- ---ideas about a data format for hearings
- ---ideas on broad issues that BAC could recommend for reallocation funds.

Respectfully Submitted, Rachel Applegate (SLIS)