

Draft Minutes Faculty Council Budgetary Affairs Committee Thursday, March 22, 2007

Present: Rachel Applegate, Trudy Banta, Terry Baumer, Bob Bennett, Ed Berbari, Ben Boukai, Peg Fierke, Randall Halverson, John Hassell, Robert Hickey, Ann Holmes, Karen Johnson, Steve Mannheimer, Robert Martin, Keith Morran, Bart Ng, Jacquelynn O’Palka, Robert Sandy, David Stocum, Gautum Vemuri, Rosalie Vermette

1. Approval of Minutes of the November 16 Meeting

Approved and seconded.

2. Wrap-Up Discussion of Unit Planning and Budget Hearings

Committee members provided input regarding the unit hearings and other concerns:

- Why is the Bloomington campus able to institute program fees, but not the IUPUI campus?
- There is a need to look at all proposed student fees in terms of their aggregate impact and fit with fiscal and political realities.
- Medical School: The School will be increasing its class size by 30% (84 new students). When asked by a BAC member attending the hearing, Dean Brater indicated that he would have no objections to a program which would guarantee medical school admission to entering freshman, provided that they maintain a specified GPA and met the other admission requirements. (This would be a great recruiting tool for a number of undergraduate programs.)
- Medical School: Is generating intellectual property which is leading to new businesses which will generate revenue for the School.
- Law School: The experience of this unit provides a critical lesson in the importance of transparency in financial decisions.
- Nursing: Has a deficit, but is able to raise its tuition/fees since these are competitively priced in relation to other nursing programs.
- Science: Has a deficit but is not able to raise its tuition and fees.
- University Financing Committee: needs to have some faculty input regarding its process.

3. Presentation of the 2006 IUPUI Performance Report: Trudy Banta

A “traffic light” symbol with red, yellow, or green (or mixed tone) colors now provides a visual indication of the degree of progress in meeting key indicators of performance for core mission activities (see pages 74 – 81). These results, and supporting data, can be accessed online by clicking on the “Performance Indicators” tab at page: <http://www.iport.iupui.edu/pr/>

4. State of the Campus Budget: Robert Martin

The legislature is only halfway through its long session. State revenues are lower than had been projected. The level of university funding probably will not clear until late April. It is likely that the University will not receive the full \$80 million that it has requested for the life sciences initiative. In order to obtain statewide legislative support, it is likely that life sciences projects which are funded will be geography distributed across the state’s population centers. Results will need to be demonstrated soon, to allow the university to request additional life science funds.

The discussion of university tuition and fees, particularly for undergraduate students is controversial, and probably will not occur until late April. Technology, athletic, and activity fees are now charged. (Tuition and fees are totaled to calculate the percent increase, so that an increase in fees results in a reduced ability to raise tuition. Ideally, program fees should be separated from mandatory fees and tuition in order to calculate the overall year-to-year rate of increase of costs for students.)

5. President's Tax

Provided copies of: March 8, 2007 Memo to IUPUI Fiscal Officers, with attachment "IUPUI FY07-08 President Tax (Projection Purpose Only)"
(Projected President Tax allocations are shown for IUPUI units, using two different allocation methods.)

IUPUI's share of the cost is currently \$3.9 million. The trustees have asked the president to reappraise the amount and formula for the tax. The University-wide benchmark may be lowered below \$10 million.

6. Dean's Prospective of the RCM: David Stocum, former Dean, School of Science

Provided copies of articles:

- Stocum, D. L. & Rooney, P. M. (1997). "Responding to resource constraints: A departmentally based system of responsibility center management. *Change*, 29(5), 51 – 57.
Available: <http://www.ulib.iupui.edu/cgi-bin/proxy.pl?url=http://search.ebscohost.com/login.aspx?direct=true&db=afh&AN=9711032318&site=ehost-live>
- Stocum, D. L. (2001). The evolution of Twenty-first century public higher education: The urban university as prototype. *Metropolitan Universities Journal*, 12 (2), 10-19.
Available: University Library Stacks: LB2328.4 .M48

RCM was established to decentralize financial decision making, providing blocks of money to units. This process allowed decisions to be made more flexibly and efficiently. Units are allowed to carry forward funds, "...generated through savings or extra income generated by greater than expected enrollments." The system began to work less well when IUB began to restrict use of the funds; e.g. the mandatory 3-year technology equipment replacement cycle.

Discussion: How can the campus help to address inequities between units, such as the ability of professional schools to raise fees while others cannot? How can the campus ensure a level playing field for units? Some units survive via service courses, but RCM creates incentives for Schools to create in-house versions of these courses in order to retain the credit hours.

7. Talking Points for the BAC Report

Provided handout: Excerpt of Sections from the 2005—2006 BAC Report: Some Concerns and Recommendations; Continuing Campus Priorities; Observations and Recommendations Related to Campus Budgetary Issues

Next Meeting: April 24, 2007, 12:30 p.m., UL 2115E

Draft versions of unit hearing reports are due by the April 24 meeting. Committee members will have a second opportunity to comment regarding the unit hearings at the April meeting. The committee will submit its annual report by the end of June.

Respectfully submitted,
Randall Halverson, BAC Secretary