

IUPUI FACULTY COUNCIL COMMITTEES

BUDGETARY AFFAIRS COMMITTEE

ANNUAL REPORT

2008 – 2009

REVISED, SEPTEMBER 25, 2009

IUPUI
INDIANA UNIVERSITY–PURDUE UNIVERSITY INDIANAPOLIS

COMMITTEE ROSTER

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COMMITTEE CHARGE

On November 19, 2006 the Budgetary Affairs Committee (BAC) discussed a proposed Amendment to the Bylaws of IUPUI Faculty concerning the charge of the IUPUI Budgetary Affairs Committee. The proposed Amendment was presented for a vote by the IUPUI Faculty Council at its March 6, 2006 meeting and passed unanimously.

Background

Section B of Bylaw Article III, of the Constitution of the IUPUI faculty provides for 16 standing committees of the Faculty which include the Budgetary Affairs Committee (BAC). The proposed amendment is intended to clarify the charges for the IUPUI BAC and also to better align them with those of its counterpart Budgetary Affairs Committee on the Bloomington Campus.

Previous Charge per Article III-B.3

[Budgetary Affairs.] This committee shall review the general academic priorities of IUPUI and the reflection of such needs in the creation of budgets, inform the Council on budgeting procedures and points of potential faculty input, and alert the Council to matters of budgetary importance external to IUPUI.

The Amended Article III-B.3

[Budgetary Affairs.] This committee shall act as a representative of the Council in offering to the IUPUI Chancellor and the Campus Administration its continuing advice and the Faculty perspectives on all aspects of the IUPUI budgetary policy and the allocation of the IUPUI financial resources, especially those proposed allocations and re-allocations of financial resources that have bearing on the economic well-being of the faculty and the academic programs. Among others, the committee's responsibilities shall include:

- A. Assessing the fiscal health of all academic and administrative support units, through its participation in the Campus Planning and Budgetary Hearings, and by other means including direct communication with faculty budgetary committees at the school or unit level.
- B. Considering and reviewing the general academic priorities of IUPUI and the reflection of such needs in capital outlays and in the creation of budgets.
- C. Considering the relative allocations of the Campus financial resources with respect to new programs and the implications to existing programs.
- D. Alerting the Council to all matters of budgetary importance internal or external to IUPUI.
- E. Facilitating coordination and communication among school level budgetary affairs or equivalent committees.”

Reference: <http://www.iupui.edu/~fcouncil/minutes/fc070306html.htm>

The nature of the campus BAC places it in a unique position to detect impending financial difficulties. It can bring to bear the experiences and insights of a broad base of faculty representatives knowledgeable in budgetary matters for review or development of plans to address financial problems at the campus, school or unit level. While the annual budget hearings in which the campus Budgetary Affairs Committee participates is the best mechanism for monitoring overall developments, budget committees at the school or unit level should be encouraged to communicate to the campus Budgetary Affairs Committee any information and concerns pertinent to the early stages of financial problems whenever they arise.

Reference: www.jaguars.iupui.edu/handbook/2002/financialdifficulties.html

SUMMARY OF COMMITTEE ACTIVITIES

As part of its charge, the BAC participated in the 2008-2009 exercise of budgeting and planning hearings held by the university administration. Through these hearings, the BAC reviewed the fiscal health and budgetary conditions of most schools as well as several academic and administrative support units.

In its fall and spring meetings, the BAC discussed a range of campus-wide issues concerning such matters as the state of the campus budget, campus assessments and state appropriation, RCM as the budgeting system and the campus action plan and campus priorities for investments.

The BAC concludes its activities for the 2008-2009 year providing this report to the Faculty Council and the Chancellor, addressing some of the budgetary concerns and issues that were raised, making several recommendations on processes and campus priorities, and summarizing its assessments of the fiscal health of the various schools and the academic and administrative support units it reviewed.

THE BUDGETING AND PLANNING HEARINGS

As in the previous years, the budgeting and planning hearings exercise was held during the early spring semester. A welcomed change in the schedule was that approximately half of the hearing sessions were scheduled, back-to-back, during two Saturdays. Members of the BAC felt this arrangement was more efficient and focused.

The hearings were conducted for all the academic RC units and four administrative/support units including: UITS, External Affairs, Academic Affairs, Student Life and Administration and Finance. In all, the members of the BAC participated in a total of 27 such hearings. In most of the scheduled hearings, two members of the committee were present, who then submitted a written report to the BAC on the unit they reviewed with an assessment of the unit's financial health and other financial issues. These reports are included at the end of this document.

Questions Posed to Units

This year's hearings were conducted with greater focus on the mounting challenges faced by the academic units, under RCM, in the current fiscal environment. The committee deliberations, along with input from the Campus Planning Committee of the IUPUI Faculty Council, led to the following questions to the Deans and Directors of units that were reviewed (please see memo in Appendix):

I. Questions for Academic and Administrative Units

1. If you had to implement a reduction of 3-5% in your base general fund budget, a) what would be your budget priorities and b) what strategies would you employ to walk the fine line of maintaining critical operations and investing in your future? How will faculty and other stakeholders be involved in the decision-making process?
2. Please describe current commitments or plans that require multiple year funding, including the amount of funding required and the length of time the initiative's funding is required.
3. How do you intend to use your reserves over the next four years? Please provide the information by fiscal year.
4. How do you define return on investment for diversity efforts in your unit (e.g., numbers of faculty/staff/students recruited and retained, grants received for special studies, new teaching methods or courses, placement of graduates, program reputation)? What are you doing to improve your ROI?

II. Additional Questions for Academic Units

5. What are you doing to increase
 - a. the number of undergraduate degrees your unit grants?
 - b. the number of undergraduate degrees you grant to low-income students (Pell recipients)?
 - c. the number of first-time full-time students who complete degrees in four years?
 - d. the percentage of students completing courses successfully?
 - e. your research funding?

6. What are the current numbers and percentages of tenure-track faculty, clinical faculty, and lecturers in your school? Please describe your plan for allocating new faculty positions so as to influence the number and percentage in each category.

Some Concerns and Recommendations for the Hearings

- *Inclusiveness*: The committee has expressed its strong sentiment that *all* RC units, namely; all academic schools and all administrative and academic support units be continue to be included in the budgeting and planning hearings exercise. The BAC will endeavor to work with the office of VC for Planning and Institutional Improvement to assure an efficient schedule of hearings.
- *Faculty Involvement*: The committee has expressed its strong sentiment that steps must be taken to assure that each school has mechanism to allow faculty participation in serious financial and planning decisions.
- *Timeliness*: In order to allow an adequate review by the committee members, the committee has requested that posting of unit reports and budget information be done in a sufficient time prior to the scheduled hearings.
- *Uniformity of Reports*: The committee has recommended that some key financial and budgetary figures for the hearings, (including anticipated commitments such as startup costs and the likes) be reported by the units via a uniform template or outline of required information, to be developed jointly with the administration.
- *Reserve*: Some units did not have available this year the required level of reserve funds (3%) Units without adequate level of reserves in this financial climate should *strongly* be encouraged to remedy the situation.

SOME RECOMMENDED CAMPUS PRIORITIES

For several years now the BAC has taken clear and sustained positions on priorities for budgetary decisions. The BAC continues to advocate these positions for maintaining a strong and healthy environment for our campus to prosper. While the current BAC recognizes that many of the priorities of previous Committees have received attention by campus administration, it urges the campus to seek ways to further leverage these past investments, upon a careful assessment, to support further progress toward the doubling goals and meeting the campus strategic plans.

Priorities for Reallocations Funds

The BAC recommends that the priority for reallocation funds be directed to the following four areas:

Teaching and Learning:

- Providing merit-based student scholarships to attract talented and better-prepared students, and to improve competitiveness with other institutions.
- Enhancing student recruitment efforts, including out-of-state and international students.
- Enhancing student retention and graduation rates.
- Enhancing student support structures and programs, including advising, mentoring, tutoring, learning centers and financial aid.

Research and Scholarship:

- Strengthening research and graduate program infrastructure, including provisions of competitive start up funds, research stipends for graduate students and postdocs, discretionary fund for seeding new research and for supporting collaborative research ventures.

Campus Infrastructure and Promotion:

- Investing in new and renovated research facilities, as well as teaching-and-learning facilities.
- Publicizing the quality and diversity of degree programs and faculty.
- Creating a more positive image of IUPUI (e.g., world-class institution).

New Faculty/Staff:

- Supporting essential and high-quality new faculty/staff lines.

Reallocation requests for new faculty/staff lines should be considered favorably only if units provide some matching funds. This will require units to better prioritize their programs and underscore the necessity for adding any new faculty/staff lines.

Faculty Salaries

As in previous years' reports, the Budgetary Affairs Committee echoes concern about faculty salaries and the need to provide competitive salaries. Problematic salary compression has occurred across IUPUI faculty ranks. It is important to resist the temptation in the short-run to forgo or defer annual salary increases to established campus faculty. Over time, this progressively affects the ability of the campus to retain faculty with proven productivity.

We recognize that salary issues have been addressed systematically on some campuses, but it does not appear that our campus has received similar focused attention. Every effort should be made to bring campus faculty salaries in line with peer institutions in order to retain current faculty and recruit new faculty competitively. It will be necessary to follow up with the Faculty Council executive committee to ensure that fully comparable data for the IUPUI and IUB campuses is obtained, to obtain relevant campus productivity data to make linkages, and to update the campus research profile. Without a systematic effort at the campus level to champion salary competitiveness, the level of excellence of IUPUI faculty cannot be maintained indefinitely.

SUMMARY OF 2008-09 BAC DISCUSSION ITEMS – SOME OBSERVATIONS AND RECOMMENDATIONS RELATED TO CAMPUS BUDGETARY ISSUES

The campus has reached a point where it will be appropriate to point to its accomplishments, as it prepares for a new capital campaign. However, planning by the campus administration must also include collaboration with the faculty in order to address pressing internal resource needs and respond to external resource constraints.

- Linkage of faculty budgetary committees to strategic planning efforts at the campus and unit levels will help ensure that operational decisions are made transparently in support of the overall wellbeing of IUPUI. Input of the campus faculty is needed to bring the Master Plan in line with longstanding campus priorities and to optimize the rollout of initiatives such as RISE and Honors College.

The enrollment shaping initiative is providing additional revenue to academic units, which is not subject to the RCM formula. Schools are urged to invest these funds in new tenure-track faculty, to increase the campus' research capability. Metrics are vital in order to assess the financial health of units and for meaningful assessment of campus initiatives, such as enrollment shaping and the student technology fee. Standardizing unit reporting data procedures will provide more impact for the campus via the hearings process and improve the accuracy of unit data values used as campus financial drivers. It is important that timelines for the implementation of major campus initiatives such as the Master Plan, RISE, and Honors College be coordinated to maximize progress toward campus goals

Academic units have operated in an environment of reduced state appropriations as a percentage of total operating funds for last several years. This is likely to continue. Maintaining and creatively seeking new ways to increase revenues at the academic unit and campus levels will be vital. IUPUI may be able to capitalize upon limited new dollars earmarked for higher education by the legislature, which are expected to be linked to campus output measures such as completion rates. The campus has made exceptional progress in terms of effective advising and retention, in part perhaps through the irreplaceable efforts of University College, which needs more secure sources of revenue.

The campus' institutional memory regarding recent efforts such as the Financial Planning Advisory Committee needs to be reviewed. Can the "strategic cube model", developed at the beginning of the doubling initiatives, be deployed, with updates if needed, to represent campus priorities in order to support efficient, strategic planning?

Enmeshment of financial data for medicine and other campus academic units severely inflates apparent resources at IUPUI. It also makes it difficult to compare salaries between academic units here with their counterparts at other state institutions or peer institutions. Including physician "practice" income, not done at other medical schools, and also makes it difficult to compare salaries between the School of Medicine and other medical schools. Separating expenditures for medical and other academic programs will increase the value of comparisons with appropriate peer institutions.

The current mechanism of hearings at the unit level allows deans to provide input regarding urgent funding and investment needs, as well as recommendations for reallocation and cuts. However, evaluating resource allocation only at the unit level may overlook opportunities for the campus. Additional opportunities for strategic investments to improve campus outcomes may be available by leveraging activities through the campus Signature Centers, increasing collaboration between academic units to exploit unique strengths of the campus, and by identifying campus-level underinvestment in particular academic units, as identified by the "University of Delaware" model to measure the cost to produce degrees in a discipline.

Last year, promising, preliminary information was provided using the "**Delaware Data**" model. The Delaware Study provides relative costs for programs, and can provide insights via peer institutions chosen with similar programmatic and student profiles. Gary Pike has offered to rerun the Delaware comparison, once a group of peer institutions have been identified. Incorporating "Delaware" data analysis at the disciplinary level will require accurate faculty counts by unit, taking into account faculty with split appointments. The Delaware analysis provides results at the school level. Comparable data for IUPUI is not available from HR; it can only be obtained from instructional data.

Training needs. The campus should continue to provide workshops on campus financial procedures to new administrators, to ensure that RCM is uniformly understood and administered. Workshops may also be helpful for unit staff, to help ensure that School reports provide consistently prepared, accurate data values, to be used in financial models.

RCM. 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. However, 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.

This year, campus deans affirmed RCM as the “foundation of planning and budgeting” for the campus. However, in the past, RCM has worked imperfectly. RCM results in greater fluctuations in income for academic units than for units which are funded by assessments; a buffer must be implemented so that reduced income for an academic units reduces its assessment.

The campus needs faculty and unit input to review the functioning of RCM to determine which elements of RCM are important to retain, and which are no longer needed. Auxiliary units, which provide income for units, should be included in the formula.

Assessments. Assessments are progressively and negatively impacting academic units. The formula for assessments seems to change often. Faculty input is needed to update the assessments model, providing a predictable and sustainable formula, taking into account the ability of an academic unit to pay. The loss of Kelly Direct Business revenue by the campus is likely to further increase the assessments of other academic units. Several years ago, the analysis by FPAC consultants showed that given flat state appropriations, the future financial solvency of campus units is highly sensitive to the assessment rate. In the past, the committee has recommended that the assessment be limited to the amount of state appropriation allocated to a unit.

UITS. Campus academic units have large assessments to support UITS, and with the implementation of the Student Technology Fee, have lost the ability to meet student technology needs internally, through program-based student technology fees revenue. In the past, UITS has not met student computing needs for some academic units, which have had to create their own networks and computer labs. Faculty are concerned that UITS does not appear to seek input regarding the unique needs of IUPUI students and programs, and that UITS may want to extend the Student Technology Fee to graduate students.

Very detailed financial reports are available for UITS. In order to make the best use of limited campus resources, it would be helpful to have a conversation regarding the level of detail regarding the investment of campus funds which would be most meaningful for faculty and the campus. The BAC proposes to create a subcommittee of members to meet with UITS to institute a process in which faculty regularly participate in UITS strategic planning and project development for the campus. This may include meeting with UITS deputy CIO or those who lead individual projects, regularly reporting input provided by faculty and its effect upon project development at BAC and Faculty Council meetings.

Some Other Concerns

- It is important that a level of trust exist between the faculty and the campus administration. It is important for the faculty to give their perspective, and to potentially affect the outcome of strategic decisions.
 - Cost to students. It is possible that a cap on tuition and fees may be mandated in the future. The academic units have begun work to simplify student tuition and fees, in order to increase transparency and consistency between programs. There is a need to look at all proposed student fees in terms of their global impact.
 - Commitment to Excellence (CTE): The return on investment on CTE funds needs to be studied. Funds need to be redeployed, if not efficiently used. If a cap is imposed on total increases in tuition and fees, additional CTE fees may mean that more money will be available to fund new projects, at the expense of the campus and unit operating budgets.
 - Is there a value to showing the level of funding by student broken down by campus? Deans and the campus need to make it clear to the legislature what can be done with increased funding, rather than pointing to what is “constricted.”
 - Can the campus better manage or “tell the story” regarding the need for IU academic units to carry large reserves for critical purposes such as funding faculty start-ups? Hiring new faculty for Science and E&T has been difficult because start-up laboratory costs are not adequately addressed.
 - Faculty Retirements. In upcoming years, the campus and university may need to develop faculty early retirement incentives, without appearing to give gifts to faculty or adversely affecting the ratio of tenured faculty within a unit.
- Cuts. Can or should future cuts be implemented in order to promote strategic goals? How can we insure that cuts proposed by units be made in good faith as realistic in order to minimize the negative impact upon the campus and its missions? Is there a fairer way to allocate cuts than to cut appropriations? Community Learning Network (CLN) Schools have been asked to support CLN lease costs. BAC members have expressed concern that the effect of increased CLN offerings on existing programs is unclear and may require additional data or study to verify.

Suggestions to improve the effectiveness of the hearing process

How can the BAC and Planning Committees “follow-up” regarding the campus response to priorities identified by these two committees the previous year?

How can the BAC and Planning Committee improve the usefulness of the hearings process by closing the loop of information flow between administrators and faculty of units, as well as between the administration and faculty of the campus overall?

For example, can the Budgetary Affairs (BAC) and Planning Committees help the campus build upon efforts such as the “Delaware Study” model, to show the cost to the campus to produce specific degrees, in order to evaluate resource allocation at the campus level?

The Chancellor carries out the internal distribution of campus research funding provided by the legislature, but lacks sufficient discretionary funds to remedy campus needs, which may be revealed through the “Delaware Study” data. Can a source of discretionary funds be identified?

Currently, BAC members review fiscal health data for units, which are posted online in October. This data is retrospective, providing a “sense of flow,” but not taking into account future programmatic investments. This is potentially problematic for BAC members who attend unit hearings and prepare unit reports. Suggestions have been made to improve the timeliness of budget data.

The BAC could use data from the spring financial analysis, providing budgetary numbers accurate as of three-quarters of the year.

Alternatively, December 31 unit numbers could be used, resulting in only a slight delay in the spring hearings schedule. The Campus would require an additional month to conduct its fiscal analysis, allowing hearings to begin after January.

Could unit fiscal reports be provided which would be similar to reports filled out for grants?

Could we add lines separately listing faculty compensation and staff compensation?

Also of interest: budgeted FTE, and separate headcounts for undergraduate and graduate students.

BAC members have commented that sometimes the time for questions is insufficient. Can a greater amount of time be given to large units?

In the past, the BAC performed an annual review of the Chancellor’s Reallocation Fund. This function increased the significance of the committee’s review of unit presentations. The BAC provided input on funds for strategic investments, including reallocation, reviewing the campus needs via a rolling five-year strategic plan.

REPORTS ON ACADEMIC UNITS

The following reports are from members of the Budgetary Affairs Committee who attended the campus budget meetings.

BUSINESS (KELLEY SCHOOL OF)

As noted in previous annual committee reports, the Kelley School of Business has traditionally relied upon state appropriations and student tuition and fees for most of its income. These income sources seem unlikely to grow substantially in the near future. The School provides release time to allow new faculty to engage in research and publication, and has won increases in external funding, particularly for designated use non-general funds.

Kelley's share of state appropriations has decreased substantially in recent years, dropping from over \$4,000,000 in FY 2001-02 to just over \$2,000,000 in FY 2007—08. A steadily growing gap between appropriations and assessments exceeded \$2,000,000 as of FY 2006-07. In 2007-08, assessments exceeded twice the value of the state appropriation. Positive end-of-year net operating balances extending back to 2003-04 were reversed in 2006-07, with a negative balance of just over \$1,000,000. However, a substantial positive balance was restored as of 2007-08.

The 2005-06 BAC report indicated that the undergraduate program and online MBA program (Kelley Direct) typically produce positive margins, while the residential masters programs do not. The School indicated at that year's hearings that many of its program costs are fixed, so that marginal reductions in enrollments for "less profitable" programs would not yield savings. Kelley Direct and total masters' degree graduations have set records in recent years. Recent Kelley Direct graduates have been approximately 50% international students. However, undergraduate enrollments and graduations have been largely flat for several years, constrained by limited classroom space and adjunct faculty.

Efforts by the School to publicize its programs include new teaching collaborations with international partner schools. Several graduate and undergraduate degree programs were added or refocused. These included winning university approval in May 2008 for a Master of Science in Taxation degree, adding a supply chain major to the evening MBA (part-time) program in Fall 2008, and adding "international perspective" course options.

The School is successfully working to raise funds and increase collaborations with alumni, local employers and large companies, and R&D funding sources. Non-general designated funding has increased substantially, increasing from \$771, 000 in academic year 2004-05 to \$1,355,000 as of 2007-08.

Areas of concern are the national and global economies, which could affect student recruitment for Kelley Direct. An upcoming change for fall 2009 transfers the administration of Kelley Direct to the Bloomington campus, with headcount and student tuition and fees moving to the Bloomington campus. How that move will affect the School's net revenue is unclear.

The School indicates that budget reductions for the campus business programs would be countered through the use of more adjunct faculty. This strategy may improve net revenues from the undergraduate programs, but needs to be used with care, to avoiding jeopardizing the School's favorable reputation.

COLUMBUS (IUPU-C)

Enrollments are up. The campus is very closely connected to the local community, which makes its desires known about specific programs. A new BSN program was launched with local support leading to Lilly funding; local work also ensured that nursing simulators for teaching can benefit the hospital.

- Campus leadership has communicated with IUPUI enrollment personnel when IUPUI scholarship priorities haven't matched IUPU-C needs; this has been adjusted.
- While faculty hiring (faculty have nearly doubled) is nowhere near matching a desired 50% tenure-track level, that is primarily due to the program mix—qualified nursing and business faculty candidates are difficult to identify. IUPU-C has a program to assist nursing lecturers to attain doctoral qualifications; it was mentioned that business faculty might also benefit from that process.

For retention:

- adjusting scholarships to reward students who persevere
- working to enhance the on-campus experience
- targeting programs to known area needs

IUPU-C enjoys strong political support and growing enrollments.

DENTISTRY

During the 2008-2009 academic year, the IU School of Dentistry (IUSD) reports that 698 students are pursuing degree and/or certificate programs in dental assisting, dental hygiene, dentistry, and graduate dentistry. The unit reports low attrition rates (2%-3%) due to stringent admission requirements and early intervention strategies aimed at identifying academic, personal, and/or professional troubles. The IUSD has a well-developed process for planning and budgeting, and faculty are represented through the IUSD Faculty Council Budgetary Affairs Committee. Monthly budget meetings are conducted with the Dean, Associate/Assistant Deans, CFO, and Department Chairs.

Reallocation Plan. The IUSD is currently in the development and design phase for a new pre-doctoral, pre-clinical laboratory facility. The unit reports that the current facility is outdated and may become a future recruitment barrier. Through the support of the University Architect's office, the unit has begun initial discussions and design for a new Dental School structure. The estimated construction cost is approximately \$100 million; 50% of cost anticipated to come from private pledges; 50% from state bonding authority. The current facility will be renovated into a modern simulation laboratory consisting of manikins with oral structures. Dentistry has initiated fundraising for this renovation, which is estimated to cost \$2.5 to \$5.0 million. Thus far, they

report total commitments in gifts and pledges just over \$1 million. The unit requests \$500,000 in campus reallocation funds to help with the renovation and to provide leverage for further fundraising by showing campus support.

Overall Fiscal Health. The IUSD is in good fiscal health. The General Fund Reserve balance now stands at \$2.8 million (7.8% of base reserve), which well above the required 3% reserve. The School notes significant infrastructure renovations and facility needs and has initiated discussions for a new facility.

Research Funding. The IUSD continues to devote efforts toward the growth of research productivity by recruiting junior faculty (3) with research as their main focus, and by providing \$100,000 in matching funds for their two Signature Centers, which have been actively and successfully pursuing external funding. Other efforts include: 1) expanded the research capabilities of the Oral Health Research Institute by hiring additional staff and upgrading our research equipment; 2) supported two new faculty start-up research accounts; 3) funded three Postdoctoral Research Fellows on competitive basis using ICR funds; 4) provided funding for research supplies and biostatistical support for 20 MS candidates; 5) provided funding for supplies and stipends for four PhD candidates; 6) provided funding for 14 dental research stipends, supplies, travel and biostatistical support; 7) actively pursuing opportunities to engage resources provided by the Indiana Clinical and Translational Science Institute (CTSI); 8) reorganized and upgraded equipment in the IUSD Bioresearch Facility; 9) expanded the IUSD Office of Research to include a Division of Clinical Trials Management to provide school-wide support for protocol development, IRB submissions, and regulatory compliance oversight for research faculty and students.

Budget Reduction Strategies. If a 3%-5% budget cut were implemented for the IUSD, this would equate to approximately \$1.0-1.7 million (on a base of \$33.7 million). Compensation accounts for approximately \$26.4 million (78%) of this base, and would seem to provide the greatest single opportunity to manage a reduction. However, the Dean expects to utilize a variety of options including: 1) across the board salary freezes; 2) freeze on new hires; 3) explore opportunities to merge or possibly eliminate some job responsibilities/jobs. Other base categories that could be frozen or limited include capital reserve, ICR transfer, travel, and various salary and administrative supplements. The IUSD also reports that improvements can be made by requiring payment up front before completing procedures, being stricter regarding offering/allowing discounts, and by expand and professionalizing marketing efforts for clinical services.

Summary. The IUSD continues to increase its reserve funds and is taking actions to increase research funding. Attrition rates are low, but the ability to increase class size for the School's undergraduate programs (Dental Hygiene AS, BS) is limited by facilities and number of faculty. The School cites significant facility needs and has begun design talks about a new building and renovations to the current laboratory. The School is encouraged to continue to seek external funding support for the proposed new facility and renovations.

Education

The School of Education (SE) is working to strengthen existing programs, and finalize several new programs under development in recent years. For 2004-05, the total fund balance for SE was \$2,263, 000. This amount has dropped each year since, reaching \$974,000 at the end of 2007-08. Negative net operating balances of approximately 650,000 in 2005-06 and 2006-07, were rectified with a \$173,000 positive net operating balance in 2007-08. The School sees a growing gap between appropriations and assessments as the greatest long-term financial threat to its success.

Efforts to increase degrees, research funding: The School indicates that it is actively involved with several major K-16 initiatives, including Project IMPACT in which it is working to expand "...unique partnerships" with Indianapolis neighborhood centers to provide increased, diverse student enrollments through workshops and master's programs customized for particular district needs. SE is especially involved in programs for three high demand areas: STEM, ESL, and Special Education. SE is finalizing development of a PhD in Urban Education. If approved, this would be the School's largest new expenditure for multiple year funding. The School also seeks to expand the size and impact of its Urban Principals program, and would like to establish a graduate program in teaching in higher education.

The School is attempting to substantially increase its urban and multicultural research capability in 2008-09, to increase research funding by at least 20%, to double the number of graduate students involved in research, to double the number of collaborative research studies and to double interdisciplinary research. SE is hiring a professional Development director and has hired four new faculty in STEM areas, to augment the unit's ability to apply for NSF grants and build upon collaborations with the medical School. An evident challenge for SE is that it is not clear how new graduate students stipends will be funded. The School's budgeted financial aid funds for 2008-09 are virtually the same as awarded in 2004-05. A trend of steadily increasing grant awards for the past three years was mentioned in the 2005-06 BAC report, but is not as clear over the last several years.

3-5% Reduction in Base Budget: Even before the consideration of potential cuts, there is a sense of some vulnerability for SE. In previous hearings, the school has suggested that it would rely upon growth in enrollment and grant dollars to offset shortfalls. However, in recent years, undergraduate enrollments have been largely flat and graduate credit hours dropped from 13,364 in 2004-05 to 11,087 in 2007-08. Competition from regional competitors was cited at the hearings as a cause of the drop in graduate hours. In addition, the state has dropped its requirement of a master's degree for continued employment of teachers. Re-licensure is now possible without taking continuing education graduate courses. The School suggests several strategies for maintaining critical operations, including increasing the course load of clinical faculty. However, limited savings may be available through this approach; being close to capacity at the undergraduate level has been mentioned in recent BAC reports.

Use of reserves: In recent years, SE has consistently met its trustees income reserve requirement of 3%, and currently has 7.8% in reserves, but would like to increase that to 15%, to help secure sustainable support for "long-term investment in strategic priorities."

Numbers of tenure track vs. non-tenure track faculty: SE indicates that increasing the number and percentage of tenure track faculty is one of its highest priorities. The School plans to hire one or two tenure track faculty next year.

Diversity Efforts. The School will attempt to hire diverse faculty and staff, and will seek grants and scholarships to help support students. To accommodate working students, it is concentrating classes on Tuesday/Thursdays, and increasing online course and program options.

Along with other academic units, SE is facing financial challenges over the next several years, with constraints on its traditional sources of revenue. Could SE further progress toward unit, campus and community goals via multidisciplinary collaboration with other units and disciplines? For example, in terms of its Project Impact (community partnerships) effort, could the School more fully exploit unique campus opportunities via partnerships with the Medical School, Informatics/New Media, Liberal Arts, or other units, to support research, curriculum, and/or staff development to meet the needs of complex community efforts such as Crispus Attucks Medical Magnet High School.

ENGINEERING AND TECHNOLOGY

The School of Engineering and Technology budgets increased tuition revenue based on an increase in undergraduate and graduate credit hours. Partly this is a result of the incorporation of the IUPUI Music School as the Music Technology program in E&T. Assessment is equivalent to 78% of state appropriation for the school and 29% of total income.

Efforts to increase degrees, research funding: ICR has increased substantially since FY05 (\$0.4M-\$1.4M). New initiatives in Motorsports Engineering, the continued growth of Biomedical Engineering and the Music Technology program and the proposed BS in Energy Engineering all will impact credit hours and graduation rates positively.

3-5% Reduction in Base Budget: Potential budget cutting strategies have been discussed with the faculty Budgetary Affairs Committee and include elimination of travel funds, decreasing capital equipment funds, alternative telecom provider (e.g. Skype). Cuts beyond this level would severely impact programs and might require choices between programs.

Commitments or Plans that Require Multiple Year Funding: Establishing new academic programs listed above requires multi-year commitment of funds. Other examples are building renovation, graduate program support. Eight full professors will retire in the next five years; presumably many of these are 18/20. The School has budgeted for six 18/20 lines for the last few years, which has been 0.6% of total compensation. Some of these will presumably rotate off, so there will be some increase, but this is not huge relative to their total costs.

Use of reserves: Salary savings in base will be used to hire new faculty and replace retirements/resignations. Cash funds from increased credit hours and ICR will support a number of programs including renovations, graduate programs, etc. The School has budgeted

conservatively for ICR income (about half of actual ICR received for the last few years); so, it does not appear that reliance on this income stream would jeopardize core programs if the economic climate seriously impacts this revenue stream.

Numbers of tenure track vs. non-tenure track faculty. Current mix is considered satisfactory, but may be desirable to hire some clinical faculty to support new programs. Retirements will result in the need to recruit a number of tenure track faculty in the next five years.

Diversity Efforts: Return on investment is measured by recruitment and retention of students from minority groups. School has Diversity Council including faculty, staff students and industry representatives working on a number of initiatives.

HEALTH AND REHABILITATION SCIENCES

Health and Rehabilitation Sciences has a new dean, who is using a detailed, data-rich strategic plan with significant faculty participation.

- No undergraduates (hence no undergraduate retention/graduation initiatives)
- For diversity, it was suggested that HRS partner with a Hispanic-serving institution to enhance the pool of students entering the graduate programs.
- Are enhancing an emphasis on and providing administrative support for grant-writing (research).
- HRS is interested in developing a Physician's Assistant program—this is very popular with students (and with employers) but requires a significant up-front outlay (three faculty and curriculum before any students), which is currently not feasible with their reserves/surplus funds.
- More efforts on identifying alumni donors are needed; the reorganization (and restructuring out of Medicine) in 2002 are difficult for alumni to understand.

HERRON SCHOOL OF ART

No report

INFORMATICS

No Report

JOURNALISM

The School of Journalism is a system wide school under IUPUI leadership of Executive Associate Dean Jim Brown, who retires at the end of the current academic year. The IUPUI campus is important to the school because Indianapolis is the political and media center for the state. The School is planning to grow over the next two years in order to meet their challenges. Specifically, they have added several new academic programs and have hired two full-time, tenure-track faculty members. One faculty member is an assistant professor and the other a chaired professor. Both positions are currently funded from the School's foundation account with plans to move them on budget when growth allows.

Journalism plans to substantially increase the current credit hours over the next two or three years, primarily through (1) increasing required credit hours for majors and (2) increasing the number and type of majors. Journalism plans to handle the coming budget shortfall by growing out of the problem. The current planning document indicates substantial growth in the number of majors from 75 to 300. This growth, however, is not reflected in credit hour production over the same time frame. Dean Brown expressed concerns, though, that increased internal taxes (assessments) could mitigate the school's ability to meet these financial challenges.

Fiscal health

The School of Journalism has shown modest growth over the past several years, but is still a small school with total budgeted income of under \$800,000. Currently, appropriations exceed assessments by about \$122,000. If appropriations decrease by 6% and assessments are unchanged, this excess will fall to \$113,000. The school has a considerable fund balance to fall back on, though, and should be able to weather the financial storm, at least in the short run.

LAW

No report

LIBERAL ARTS

Some facts about the School of Liberal Arts.

- Credit hours have decreased slightly each year for the past five years. Most of the decline has come from 100 and 200-level courses due to better prepared students (i.e., those taking high school AP courses) and students taking courses at Ivy Tech.
- Number of hours for 300 and 400-level courses up substantially from 2007-08 to 2008-09.
- However, the number of majors has grown slightly, and the number of graduates has increased significantly from 2001-2007, about 61%.
- The average number of hours transferred from an Ivy Tech student to IUPUI is now 32.5 hours.
- The number of out of state students has increased during the past few years.
- Approximately 600 of the 1600 students in the School either are currently in an internship or have completed or internship
- Increases in tuition and increased out of state students have resulted in an increasing total student fees and tuition.
- Student technology fees for 2008-09 are budgeted at \$758,696. These fees will now belong to UITS in 2009-10. Dean Bloomquist will work with UITS to ensure that students supported by current School lab fees continue to be served by UITS.
- The loss of student technology fees could cause significant increases in costs to Liberal Arts unless UITS picks up all or part of the costs.
- Budgeted excess of net appropriations/assessments budgeted for (\$6,676,745).
- The School intends to use some reserves for renovations of Cavanaugh Hall.
- The School has 224 faculty, with 46% female and 16.1% underrepresented minorities
- Dean meets monthly with the School's BAC and Planning Committees.
- Best growth seen in new programs such as those at Park 100 or online courses. In addition, changing the course scheduling paradigm with late start or early start classes.

Dean Blomquist expects several associate professors to be promoted to full professor over the next few years.

If budgets are reduced for 2009-10, Dean Blomquist would strive to maintain existing levels of instruction, retain full-time faculty and staff to the extent possible.

LIBRARY AND INFORMATION SCIENCES

No report.

NURSING

The School of Nursing had a proposed budget of \$14,671,622 for 2008-09 that included the required 3% income shortfall reserve of \$441,109. Following several years of declining fund balances, the School of Nursing ended 2007-08 with a positive fund balance of \$2,741,758. This positive balance was primarily due to the new program fee/differentiated tuition (the undergraduate program tuition doubled and graduate tuition increased 30% for 07-08 and 20% for 08-09); however, both undergraduate and graduate credit hours also have increased from 06-07 to 07-08, and this has contributed \$673,661 in additional tuition.

Dean Marion Broome noted that a recently completed fall fiscal analysis projects approximately \$900,000 in operating income after committing \$500,000 toward the School of Nursing's share of the construction costs of the interdisciplinary simulation center in the Canal Building. Plans for the remaining funds include a major renovation of the 4th floor of the Nursing building, increasing base funding for part-time faculty, and increasing the reserve for faculty salaries on C&G accounts. However, Dean Broome notes that the tuition and credit hour increases alone are not enough to correct the School's structural budget deficit (some of the recent positive fund balance is due to not filling faculty positions and the fact that some of the income was from temporary funding sources) and remove all of the fiscal constraints faced. She commented specifically on the high expenses for clinical instruction. In order to deal with deficits in base funding, the School has been engaged in internal reviews and cost-cutting measures such as reviewing the cost structure of each academic program as well as measures for increasing faculty productivity.

Dean Broome, in her presentation, also noted a number of other factors with budget implications:

- A new Resource Center for Innovation in Clinical Nursing Education was recently opened and provides a state-of-the-art environment for clinical simulation training that is very cost-effective.
- The School of Nursing is a partner with Clarian and the School of Medicine in a new multidisciplinary simulation center in a new building on the canal.
- Due to increasing enrollments, the School has made more use of non-tenure track and part-time faculty which has led to a decrease in full-time faculty (109 in 1991-92 to 82 in 2008-09).
- A major limitation in recruiting new faculty members is due to low salaries (92% of the faculty have salaries below the national AACN mean).
- Grants and contracts have increased over the years and totaled \$8.5 million in 2007-08; however, indirect cost recovery (ICR) remains proportionately small since externally funded service projects do not pay ICR. However, an 8% ICR rate was recently negotiated with the State for some of these projects.

In her responses to the BAC questions, Dean Broome made the following points:

Question 1

- The undergraduate program was expanded by 60 students (25%) per year in 2007 and by another 20 students per year last year. There are no plans for future expansion in the undergraduate program with the exception of the RN-BSN option which is currently being revised to make it more accessible to working nurses.
- Once students are admitted, in the 3rd semester, 85-90 percent of them complete course work in the next 5 semesters. Approximately 55% finish in 4 years overall.
- Approximately 90% of students complete their courses on time.
- As some of the funded researchers retire, the School has hired some senior faculty to replace them, along with some assistant professors with strong pre and post doctoral training. As a result, in 2008 the amount of NIH research dollars has remained stable at \$4.5 million.

Question 2

- A prioritization of academic majors was recently completed. Also, admissions have been suspended to those programs deemed to be not cost-effective or not desirable to offer for other reasons such as changing missions, market demand, etc.
- A portion of any budget reduction could be absorbed through normal attrition due to retirements and resignations.
- The School has transferred the fiscal management of almost all community service projects to other agencies, thus the School has been able to redeploy the faculty members associated with these projects and eliminate several staff positions.
- The remaining budget reduction would be absorbed through hiring slow-downs and increased use of part-time faculty.
- Faculty continue to be involved in the fiscal decision-making process through the School's Budgetary Affairs Committee. Additionally, Dean Broome intends to reconstitute a Fiscal Health Steering Committee that was operating until about 2-3 years ago.

Question 3

- Plans are underway for a major renovation of the entire 4th floor of the School of Nursing. This has been examined extensively and will be the most cost-effective way of meeting future growth needs. Cost estimates for this project will not be available until the renovation design is completed.
- The School has made a commitment to the Interdisciplinary Simulation Center at the Canal Building. The School's annual commitment to operating costs is \$300,000; however, it is anticipated that the Center will move to a cost recovery model in 3-5 years, thus reducing the contributions required by the School.

Question 4

- Reserves will be designated to the fourth floor renovation for the next 4 years or so. The dollar amount of these expenditures will not be available until the total cost of the project is determined.

Question 5

- The School of Nursing faculty is currently represented by the following: 49 (65%) tenure track faculty; 23 (30%) clinical track faculty; and 4 (5%) lecturer track faculty.
- Dean Broome believes that the above faculty distribution is an appropriate mix.

Question 6

- The School of Nursing has had success supporting their undergraduate diversity scholars (n=2-3 per year) to move through the program. They are mentored by graduate faculty in the hope that they will apply to graduate school in the future.
- Two African-American Ph.D. students have been recruited and are supported on the NIH T-32 training grant.
- Three male faculty have been hired over the last two years along with several Asian faculty; however, there is still a need to recruit Hispanic students and faculty.

MEDICINE

- The SOM has substantial reserves, accrued by allowing departments to retain unspent funds (so as to use them strategically rather than ‘use or lose’).
- The SOM faces significant financial pressures due to diminished patient-care revenue (more uninsured/non-paying clients—57% of income is clinical), difficult research grant environment, and increased building-operations costs.
- Dean suggests that the campus consider moving from across-the-board financial adjustments to ‘strategic’ or ‘selective:’ that is, focused on key areas. Within SOM, three areas (cancer and two others) receive the primary attention/resources while the others receive only maintenance level.
- The federal stimulus package *might* contain positive developments on research and also patient-care income.
- The SOM is strenuously focusing on administrative efficiencies, across departments. Cuts now are exclusively being taken in administration, not clinical/teaching.
- The expansion of four-year centers (having all four years available at regional sites) is entirely dependent upon legislative funding—the centers are not self-sustaining and will exist only where there are sufficient state dollars.

PHYSICAL EDUCATION AND TOURISM MANAGEMENT

The Report is based on information shared at the recent Chancellor's hearing with the Dean and others from the School of Physical Education and Tourism Management, as well as from documents distributed at that meeting. The School states that IT HAS a tuition reserve of \$527,567, which is more than three times what the trustees have requested. The School also believes that it has adequate reserves to fund its cash initiatives including research support, student recruitment and retention, equipment replacement and renovations. The School is developing an MS degree in Tourism, Conventions and Event Management. The School has adapted physical education as a dual license in teacher education. Additionally, it is expanding offerings at IUPUI Columbus and IU East.

The School reports that the number of undergraduate credit hours was 29,668, and graduate education credit hours were 628 this past year. Retention rates for first and second year students increased from 73% to 76%. One of the School's students received the Bepko Scholar award this year.

The School is working to make salary levels a priority in the budgeting and hiring process, has hired additional staff to support increased enrollment and faculty, and has completed some renovations to eliminate shared faculty space. Salaries are up to the 60th percentile of faculty in comparable IUPUI schools. Grant and research activity is continuing with St. Vincent's joint replacement study. The School reports that research funding has doubled from FY06-07. Various grants totaling \$300,000 were raised for Tourism, Conventions, and Event Management initiative, raised \$200,000 to establish a study-abroad program, raised \$150,000 for Camp Brosius Inn project, raised \$100,000 for a new lecture series, and endowed three new scholarships for \$50,000, \$20,000 and \$10,000. Additional support for research proposal development is planned by the School.

Community partnerships continued to be a focus for the School and is evidenced by its continuation of internship opportunities in all their program, support for the RISE initiatives, support for Camp Brosius, and the Fit for Life Program at both Washington and Howe High Schools. The School is increasing its efforts to attract international students. The School is continuing its involvement with Moi University. The School is evaluating revenue generating methods to increase credit hours, attract more students, and increase video streaming in class-work.

It appears that the School is working hard to continue to increase outside funding through research and grant activities and to continue to be an attractive program to both undergraduate and undergraduate students. Further, it appears the merging of the two different programs has been a relatively smooth and efficient endeavor.

PUBLIC AND ENVIRONMENTAL AFFAIRS (SPEA)

No report.

SCIENCE

No report.

SOCIAL WORK

The Report is based on information shared at the recent Chancellor's hearing with the Dean and others from the School of Social Work, as well as from documents distributed at that meeting. The merging of Labor Studies into the School of Social Work was official July 1, 2007. Both groups have worked hard to integrate the programs and yet allow unique differences to remain.

The School works with a \$10.5 million annual budget, which now also includes the Social Work BSW program at IU East. IU East enrolled their first MSW student in Fall of 2008. IU Fort Wayne graduated its first cohort of 31 MSB student this year, and a smaller cohort of 17 students is expected in 2009. The School has several major grants from FY2008 that will continue into FY2009, with estimated funding for FY2009 at \$3.4 million. The IV-E Education grant with the Department of Child Services has been expanded to include both a BSW and MSW component. The IV-E Training grant with the Department of Child Services has 22 full time employees and will continue until the end of December 2009. This grant provides training for state social workers. The Department of Juvenile Justice and Delinquency grant has continued under a no-cost time extension through June 2009. Another grant from the Indiana Juvenile Justice Task Force was received and will continue through September 2010. This grant is focused on the High-Risk Youth Re-entry Project. Additional applications for research/grant funding are underway.

Faculty scholarship collaborations are growing with partnership with the Indiana Department of Child Services training project and through individual faculty initiatives. Of note is Dr. Gail Folaron's \$400,000 two-year grant to evaluate the agency's new child welfare justice model. Funding from the Hartford Foundation to explore avenues of encouraging social work students in aging populations is underway. Other faculty are engaged in individual and multiple site projects that bring research monies, scholarship, and prestige to the School. In fact, the School of Social Work was listed by the US News and World Report as 26th of 208 schools in the United States.

The School is facing a shortage of appropriate office, research and classroom space. A new building is in planning and reserved funds are being kept for this initiative. Additional budgetary concerns are related to revenue generation include a step-wise increase in graduate tuition over three-years. The School anticipates that faculty and staff will receive 1.5% in salary increases this fiscal year depending on state appropriations and other budgetary factors. Additionally, visiting faculty are in place rather than expanding full time faculty at this time.

It appears that the School is working hard to integrate with Labor Studies, to continue to increase outside funding through research and grant activities, and to continue to be an attractive program to both undergraduate and undergraduate students.

UNIVERSITY COLLEGE

No report.

REPORTS ON SUPPORT UNITS

ACADEMIC AFFAIRS

The hearing consisted of segments devoted to most departments within Academic Affairs. Dr. Sukatme referred attendees to the overall Academic Plan (already presented in several venues) for overall information.

All departments had annual reports online, as well as fiscal health reports. In some cases, departments had specific action requests, but in most cases, there was little numerical data supporting those requests.

Graduate Studies

Their sole revenue source is from application fees for ‘graduate non-degree’ (GND) students. Dr. Queener wishes to change to a percentage of all graduate (or professional program) application fees.

Dr. Queener stated that for some Schools (e.g. Dentistry) the Graduate Office “handles” all of their applications, including entering information. This varies by School.

Comment: there was insufficient information presented to really understand the impact of such a change on either the Graduate Office or on Schools. The spreadsheet emailed to BAC representatives had data only through 2005 (or 2004) and did not include the dental school. What would be needed would be: what work is done for which schools; numbers of students/applications involved.

Enrollment Services

Gave a general overview of its processes (e.g. financial aid awards) and endeavors (e.g. marketing). Close coordination with the Office for Communications.

Comment: Seemed well-run and clear; however, there was little mention of CLN: the latter seems to also engage in IUPUI/enrollment/marketing.

Community Learning Network (CLN)

Note: CLN is usually called “School of Continuing Studies” on other campuses. CLN is pursuing off-campus sites (in greater Indianapolis area) aggressively. Specific request: off-campus site fee to CLN has been a static specific figure (\$7/student? Credit hour?); CLN wishes to either increase it or change to a percentage.

(Note that distance education development is done on a fee-recovery model: CLN gives departments/faculty money to support course conversion, market the courses, and then take a percentage of the tuition revenue).

Office for International Affairs

Are heavily involved in two directions: recruiting and providing administrative support to foreign students, and encouraging U.S. students to study abroad (International administration is time-intensive. Internal Affairs receives a fee of \$75 per person/per program. Internal Affairs wished to implement an across-the-board '[experiential] learning' fee (\$7/student?) last year but that failed.

A question was asked about the net income from (various forms/types/nationalities) of foreign students: net of scholarships and additional administrative costs; no data was available at the meeting.

Office for Professional Development

Brief description of the large reorganization (and downsizing in staff and budget) accomplished last year (details have been provided to faculty in other venues). Mentioned specifically the RISE to the Challenge: increase in experiential learning initiative.

Many comments and questions about ePort, and the respective roles, contributions, costs, etc. of UITS vis a vis this program. Unclear how extensively it is currently being used.

EXTERNAL AFFAIRS

Supported by assessments to Schools. Received some reallocation funding in 2006-07 (120k), 2007-08 (300k).

External Affairs

- Has responsibility for providing the external face for IUPUI, including advertising and being part of the IU legislative team.
- In its advertising, External Affairs stresses what IUPUI is, and what it will be.
- Stresses the IUPUI name in all references to the campus.
- Current campaign is Where Impact is Made.
- Applications have increased; however, External Affairs does not have direct information about why applications increased. External Affairs does not believe that high school counselors were not responsible for the increase. Based upon focus groups, it appears that key factors in increasing applications are family and friends, contacts with IUPUI students are alumni, and the media campaigns.
- Although student quality has increased and more high ability students have chosen IUPUI (doubling of top quartile high school students attending since 1999; and from 20% in 1999 of the bottom quartile of high school class to only 2% now), External Affairs is not able to trace that increase explicitly to the advertising campaign and use of web-based media. Rather, External Affairs uses focus groups extensively to understand how prospective students find out about and choose IUPUI (cost is a factor, also affected by personal interactions of alumni, faculty, or friend who had a successful experience with IUPUI).
- Ads with emphasis on education outside the classroom were most effective (i.e., Lenore Tedesco study).
- Has put emphasis on legislative efforts and this lobbying appears to be successful.

- Has put emphasis on web presence (IUPUI website, YouTube).
- Conducts information dissemination to 500 Chancellors and 500 Vice Chancellors who vote in the *U.S. News & World Report* ratings.

To meet any budget reductions, would

- Use unfilled positions,
- Rely more on interns,
- Possibly reduce outside contracts and TV ads.

FINANCE & ADMINISTRATION

(Dawn Rhodes, Vice Chancellor for Finance and Administration)

Finance & Administration has a \$15,102,772 2008-09 budget, with about 90% from assessments to the academic units and down about 5% over 2007-08 actual.

Other revenue is budgeted at \$325,650; however, during the past few years additional revenue has been received somewhere around \$1.1-\$1.4 million. Finance & Administration does not budget based upon the additional amounts because they cannot be counted on.

Currently, Finance & Administration is investigating

- Ways to save energy costs
- Ways of consolidating IT processes
- Ways of cooperating with Schools or other units to reduce administrative costs.

In any budget cuts, the priority would be in maintaining

- Police
- Environmental Health Services

Some reserves are allocated to campus services.

Vice Chancellor noted that IUPUI charges less for many services than other urban universities.

STUDENT LIFE

The Division of Student Life income derives from the following sources: Housing Student Room Rental (66%), General Fund (18%), Student Fees (14%) and Fee for Services and Donations (2%). A review of the Fiscal Health Balance Sheet indicates a significant drop in funding between FYI 2007-2008 and FYI 2008-2009 due to the transfer of responsibility for Adaptive Education to another department.

In 2008-2009 the division allocated resources to various groups within the division as follows: Housing and Residence Life (67%), Campus and Community Life (10%), Vice Chancellor and Dean of Student's Office (8%), Campus Center (7%), Counseling and Psychological Services (6%), Student Life and Global Engagement (1%) and Student Rights Responsibilities and Conduct (1%). Eighty-five percent of the division's operating expenses fund compensation for the division's 50 FTE.

3-5% Reduction in Base Budget

Budget issues for the division include the reduction in State General Funds, "Degrees of Excellence" Presidential initiative, Debt Service for the housing projects and Campus Center, a small percentage of bad debt (students defaulting on housing contracts) and utility increases.

The Division is consulting with the Student Service Committee and Academic Affairs to set priorities for budget reduction. Possible budget reduction measures were presented for the division for a range of budget cuts (1 to 6%) for the years 2009-2011. These measures include a reduction in staff travel, employment of more work study students, and a gradual reduction in all outreach activities. At the 4% level of reduction the division will begin to lose FTE.

Commitments or Plans that Require Multiple Year Funding

Expansion of on-campus housing to provide for 10% of the student enrollment requires multiple year commitments. Building additional housing is complicated by lack of cash flow from present housing to support new construction (unlike campuses with long established residential programs). This forces the division (and IUPUI) to accumulate cash to fund the construction or divert funds from the general campus funds.

The Health and Fitness effort includes the development of counseling, medical, recreation and intramural programs, services and facilities. Modest increases in programs and services are planned over time to support the initiative until state, donor or fee funds become available.

Diversity Efforts

The division employs a diverse staff (68% women) with about 25% minorities among the professional, clerical and service/maintenance staff. Approximately 40% of the student staff are drawn from minority groups.

UNIVERSITY INFORMATION TECHNOLOGY SERVICES (UITS)

UITS derives the majority of its income from assessments (\$10.4M budgeted for FY09) and student fees (\$0.6M) (prior to any reallocation of the portion of the student fee that was allocated to academic units prior to 2/2009). Major expenses are compensation (\$9.4M), and capital (\$1.8M). Total expenses have increases 17% compared to FY05. UITS is now charged with overseeing the implementation of the second IT strategic plan (ITSP2). An important goal of the plan is to realize efficiencies throughout university operations that go beyond IT itself.

Reallocation of student fee income from academic units to UITS was not discussed at the hearing because the hearing was held prior to the announcement of this change. Reallocation will be phased over three years. As this change is implemented it is important that UITS commit to 1) accountability for the use of funds; 2) sensitivity to the specific needs of students in all schools on the campus, including those with specialized requirements such as Nursing (Graduate professional schools (Law, Medicine, Dentistry, SHRS) will continue to receive fees as in the past – it appears that Nursing undergraduate programs have not been exempted); 3) making changes in a way that causes the minimum disruption to services to faculty and staff in the affected units; and 4) ensuring retention of highly valued IT staff as positions are transitioned to UITS.

3-5% Reduction in Base Budget

Budget priorities were outlined to maintain essential services, sustain IT infrastructure and security etc. UITS operates a policy of all divisions returning a fraction of base to the VP for IT annually for reallocation to new initiatives. This would likely be lost if cuts amounted to 5% or more. Plans for faculty involvement in decisions regarding implementation of the strategic plan or any service cuts need to be outlined.

Commitments or Plans that Require Multiple Year Funding

These include lifecycle equipment replacement, rewiring and the ITSP2 recommendations. Reserves will be used to fund network master-plan, lifecycle replacement.

Diversity Efforts

Return on investment was not defined, but several examples of diversity efforts were outlined, including Bepko internship program, student employment, etc.

LIBRARY

The University Library is financed by assessments from Schools, with a current budget of \$9,330,456 for 08-09.

Of the 2008-09 materials budget of about \$3.8 million, about \$2.8 million is allocated based upon discussions with Schools. If the budget is cut the Dean would prefer not to cut this school-specific materials budget line. Out of this, the School of Science materials budget is the largest due to the high cost of their serials.

The fund balance is a bit deceptive because many costs have been encumbered at year-end.

Dean Lewis was unsure how the Library will be affected by the recent decision for UITS to take all undergraduate student technology fees on campus. He is in discussions with UITS. It is possible that UITS might take on some of the costs currently borne by the Library.

The library has about 375 public work stations for student use.

The library's 2008-09 budget is 54.2% compensation, 39.9% materials, and 6.0% other. If the library's budget is cut for 2008-09, Dean Lewis indicated that he would try to spread the reduction proportionally across the three areas. He would leave any librarian and staff positions unfilled. Approximately \$95,000 has already been cut due to the Governor's recent 1% take back. A 3% cut is somewhat manageable, while a 5% cut may require 1 or 2 positions to be RIFed. The bulk of the serials cost is moving towards electronic media and there may be minor cost savings as a result due to less re-shelving expenses but the publishers are not going to decrease the prices.

The Library is faced with continued year on year increases in cost of electronic serials, which are now controlled by three large companies.