

IUPUI FACULTY COUNCIL COMMITTEE

BUDGETARY AFFAIRS COMMITTEE

ANNUAL REPORT

2004 - 2005



INDIANA UNIVERSITY-PURDUE UNIVERSITY INDIANAPOLIS

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BUDGETARY AFFAIRS COMMITTEE CHARGE

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 (Bylaw III.B.3).

COMMITTEE ROSTER

Members with Terms expiring June 30, 2005 who contributed to this Report:

Atkinson, Simon (Medicine)
Berbari, Edward (Engineering and Tech)
Boukai, Ben (Science: Mathematical Sciences)
Gass, Sherry T. (Social Work)
Halverson, Randall (University Library)
Goebel, Joe (IUPU Columbus)
Kowolik, Mike (Dentistry)
Malik, David (Science: Chemistry) (**Chair**)
Mannheimer, Steven (Informatics)
Rees, Fred J. (Music)
Richardson, Virginia E . (Beth) (Nursing)
Robertson, Jean (Herron/Art)

Members with Terms expiring June 30, 2006 who contributed to this Report:

Applegate, Rachel (Library)
Cox, Anthony (Business)
Ford, David (Liberal Arts)
Hassell, John (Business)
Hickey, Robert (Medicine)
Johnson, Karen (Liberal Arts)
Mannheimer, Steven (Informatics)
Morran, Keith (Education)
O'Palka, Jacquelynn (Allied Health)
Sandy, Robert (Liberal Arts)

Liaisons for 2004-05 (or Ex Officio)

Banta, Trudy (IUPUI Administration: Planning and Institutional Improvement) (**Administrative Member**)
Moore, B. Keith (Dentistry: Restorative Dentistry) (**Executive Committee Liaison**)
Martin, Robert (IUPUI Administration: Administration and Finance) (**Administrative Liaison**)

SUMMARY OF COMMITTEE ACTIVITIES

The main task of the Budgetary Affairs Committee is the report on annual unit reviews on the budgetary conditions of schools and non-academic units. These reviews normally occur through the "Budget

Hearing'' process of the administration. The Committee also provides input on numerous financial matters of the campus and proposals by the campus.

The Committee makes recommendations on campus budget priorities and provides an update on recommendations emerging from the prior year 2003-4 report. In addition, several recommendations are provided for consideration by the 2005-6 Budgetary Affairs Committee (early drafts of this Report were provided to that Committee).

An additional charge to the Committee came at the request of the Chancellor to evaluate the budgetary crisis affecting the Division of Labor Studies. That Report is included.

The first part of the Report addresses a range of budgetary issues. This year, the Committee has discussed issues relating to the distribution of campus assessments and the state appropriation. Several recommendations are made.

The final part of this Report addresses the reviews of academic and non-academic units in the budget hearing process and includes an assessment of their financial health and other financial issues.

CONTINUING CAMPUS PRIORITIES

The Budgetary Affairs Committee for several years has taken positions on priorities for budgetary decisions. The Committee continues to advocate these positions for maintaining a strong and healthy environment for our campus to prosper. We recognize that many of the priorities of previous Budgetary Affairs Reports have received attention and support by campus administration.

1. Priorities for Distribution of Reallocation Funds

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

Students:

- Providing merit-based student scholarships to attract 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 programs targeted toward welfare of students, including campus life (particularly housing and new student center), financial aid, and health matters.

Campus Promotion:

- Publicizing the quality and diversity of degree programs and faculty.
- Creating a more positive image of IUPUI (e.g., world-class institution).

Campus Infrastructure:

- Strengthening research and graduate program infrastructure.
- Enhancing library resources.

New Faculty/Staff:

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

2. Faculty Salaries

Concern about faculty salaries is campus-wide and ongoing. IUPUI needs to establish a systematic and campus-wide procedure to document what individual school/unit needs exist across campus and to propose a timely and equitable remedy. Every effort should be made to bring faculty salaries in line with peer institutions in order to retain current faculty and recruit new faculty competitively. We also recognize that salary issues have been addressed on some campuses, but it does not appear that our campus has received similar attention. Increases (and even sustainability) in the level of excellence of IUPUI faculty cannot be maintained with uncompetitive salaries.

OBSERVATIONS AND RECOMMENDATIONS RELATED TO BUDGETARY ISSUES AND PROCEDURES, CAMPUS ASSESSMENTS AND STATE APPROPRIATIONS

In the 2002-3 Annual Report of the Budgetary Affairs Committee, the Committee indicated that many years (late 1980s) have elapsed since the determination of the allocation among academic units of the **State Appropriation**. The Committee felt that a re-examination of the state appropriation distribution should be undertaken driven by the changing complexion of activities on campus, evolving missions of the campus and those of academic units, and new expectations on faculty, staff, students, and units. The recent re-focus of our efforts on student success, the scholarship enterprise of the faculty and their units, and the connection of campus to external constituencies reinforces the notion that new ideas must emerge on how units are supported. Few units of today resemble those of sixteen years ago.

Another issue is the "Hold Harmless Principle" that has been in force since the 1980s. In short, this ensures that distributions are frozen so that no unanticipated changes in appropriation occur. This principle has prevented any adjustment in that distribution.

The **Assessment** is the form of taxation used to recover costs for operation of the campus. This cost contains both a driver-driven component reflecting levels of employee FTE, student FTE (credit hours or head count?), and space in each unit. These drivers determine the amount of assessment each year. However, in recent years, it is our understanding that the assessments have been held constant except for an across the board percentage increment. In addition to the driver component, there is a mandatory component arising from taxation from the central administration (campus tax), and additional special charges that are distributed through the system. For example, the PeopleSoft

charges are allocated to campuses that in turn allocate them to individual units. The part of the assessment under local control is the portion of concern to the Budgetary Affairs Committee.

In an analysis performed by FPAC consultants, it was determined that the overall account balances and long term financial scenarios, using a flat state appropriation, but different assessment rates led to significant variations in long term fiscal outcomes. *In other words, the assessment rate is a significant factor in controlling the financial futures of campus units and those outcomes are highly sensitive to these rates.* These rates are therefore critical to financial solvency and future campus development.

Bearing in mind that the accuracy of statements above reflects our best understanding of the budgetary process, several recommendations are offered for consideration to campus administration.

RECOMMENDATIONS FROM THE BUDGETARY AFFAIRS COMMITTEE

Budget Hearings for the 2004-2005 year were suspended. This was a major concern of the Budgetary Affairs Committee that the long-standing tradition of face-to-face hearings was suspended. While we recognize that this year may be atypical and an isolated event, the Committee would like to re-affirm the value of those hearings as a productive use of faculty and administrator time. Insight and perspective are gained from this exercise and, even in "lean" years, the exercise is valuable.

Assessment rate (campus-based driver system). In general, the current drivers are acceptable with some recommended adjustments. An original intent was to include a driver for research. A driver loosely based on external funding (direct funds) should be included to reflect the extent of services required to support the research infrastructure. That infrastructure does not necessarily get reflected in the original three drivers.

A rising difficulty noted by the Committee is the increasing number of units whose assessment exceeds the state appropriation. Our position is that the assessment should be limited to the amount of state appropriation allocated to a unit. Otherwise, units are expected to function on tuition income alone (and indirect cost recovery) for its entire mission. It is generally believed across many units that tuition does not provide a sufficient resource for the cost of instruction. This is especially true for units with a significant laboratory and instrumentation-based instruction component.

A second issue with assessments are the accountability issues evident in units receiving the assessment. The ability to raise assessments in the absence of significant feedback from supporting units is not in the interest of the campus. Mechanisms for such feedback need to be explored.

State appropriation. The state appropriation allocations across campus units should be distributed using a driver system like the assessment model. The campus should also consider, in part, a performance-driven appropriation model which some of the metrics below might follow. The appropriation drivers could include metrics related to the following (not in any order):

- Undergraduate degree production
Reflects efforts to improve retention and generate important outcome
- Graduate degree production
Reflects higher cost of graduate education and develop research infrastructure
- Student credit hours
Reflects a subsidy for the actual "cost of instruction" beyond the credit hour income generated
- Post-baccalaureate degree credit hours (GCND)
Reflects the importance of providing services and opportunities for talented students who will not receive degrees, but who have alternative educational aspirations
- Number of tenure track FTE faculty
Reflects the broad engagement of tenure-track faculty in teaching, research, and service
- Capital equipment dollar base of unit
Reflects the higher cost associated with maintaining high technology and instrumentation in the teaching and research missions
- Indirect cost revenue from external funding
Reflects the premium cost of research success and the importance of strengthening research infrastructure beyond simple overhead

These drivers would have the effect of providing an appropriation based on performance and accomplishment, and would reinforce a commitment to the principles espoused in the "Power of Two" goals of the Chancellor. *It is essential that a level of predictability exist for anticipating the level of funding for the following year.* Predictability enhances wise uses of resources and enables more effective planning.

W Policy. Currently all income from Ws awarded in academic units revert to the campus administration. This reversion occurs regardless of the expense of educating students in the classroom or laboratory. The premise is that this income supports student-oriented services on campus. This policy should be reviewed and it should be determined if all income associated with the cost of instruction should go to the units generating them. If student service units need to be supported, then perhaps that cost should be part of the total assessment charged to schools.

Data and Metrics. Before implementing a final formula and weighting of these drivers, the campus should evaluate a series of metrics, some already calculated in this year's financial data, and others that elucidate expense trends. For example, the following management ratios should be added to the total data: cost per degree in units, appropriation per degree in units, appropriation per external dollar, and perhaps others to help understand the balance and imbalance in the current system.

Chancellor's Reallocation Fund. The Committee recommends the continuation of this fund to accommodate special needs and directions appropriate to the global interest of the campus at large. The Chancellor's needs to have latitude in distributing funding beyond any formulaic approach. Recommendations on priorities for use of these

funds have been stated previously.

Hold Harmless Principle. Any new distribution system will likely have significant impact on units that would be too great if impulsively started. A staged conversion to the new system should occur, but one that makes steady progress towards a full implementation. For example, a recurring calculation each year indicating what the appropriation would be, what it is now, and progressively achieving the driver outcome over a period of 5-8 years. Such a transition can give units an opportunity to reconsider their priorities as well as their internal funding models.

Action Recommendation. The Committee recommends the formation of a suitable group to evaluate the efficacy of our recommendations and how they might be incorporated into a fair and rational system. The system should reflect development and improvement within the units so more effective strategic planning can result. The appropriate drivers need to be studied and models created to leave behind historical entitlements and funding in perpetuity that do not reflect performance and evolution of units. This group should be composed with representation from appropriate campus entities in the spirit of recent ad hoc committees.

RECOMMENDATION ON THE FISCAL ISSUES FACING THE DIVISION OF LABOR STUDIES

The Faculty Council Budgetary Affairs Committee (BAC) was asked by Vice Chancellor Plater to consider comments on the plans submitted by different Division of Labor Studies (DLS) constituencies, and to make any additional comments or recommendations that may be of value in resolving the fiscal crisis facing the Division. The text of this recommendation was transmitted to Vice Chancellor Plater at the conclusion of its review.

The Committee has reviewed extensive documentation, including recommendations from the Director of DLS, faculty groups and the DLS Budgetary Affairs Committee, and numerous comments and suggestions made by faculty and staff from this and other campuses affected by the DLS mission.

A primary discussion point for the BAC is the importance of preserving tenured and tenure-track faculty positions. The fiscal crisis facing DLS falls far short of any campus budget exigency and hence this issue should not effect faculty positions. The second priority is the consideration of preserving as many full-time lecturer positions as possible. The BAC views the lecturer as an important component of the teaching mission of the unit, and, while there are not the same overall expectations in the job description, we should make efforts to preserve these roles. If there are issues of weak or unsatisfactory performance in any personnel, these decisions should occur outside of any decisions arising from financial situations. Personnel decisions should occur through the normal evaluation and review procedures described in the Faculty Handbook.

COMMENTS ON THE DIRECTOR PROPOSAL

The greatest concern in this recommendation was the extent that faculty

would be affected by either termination or relocation. The Committee believes strongly that the human resource is one of the most valuable assets of the University, and any actions resulting in the elimination of positions should be with careful analysis and due diligence.

The description of IUSB, or IPFW, as a "poor performer" arises perhaps from an analysis of the enrollment data alone. The response of the faculty and alumni of both IUSB and IPFW suggest that the DLS presence there has been of greater value to the campus. Elimination of an entire unit's presence should consider a wider spectrum of metrics than enrollment data alone.

COMMENTS ON THE FACULTY PROPOSAL

The faculty proposal suggests addressing the fiscal crisis through cost-cutting actions and revenue enhancing efforts. Moreover, it is believed that these efforts will lead to a long term solution without reducing faculty. In the opinion of the FC BAC, cost-cutting efforts are essential in for long term fiscal stability. Perhaps no better decisions regarding cost-cutting measures can arise than those emerging from a *joint effort* of both faculty and the DLS Director.

However, while the faculty have proposed income generating efforts to address this crisis, in our opinion, this would be at best a short-term, uncertain fix for what is clearly a longer term situation. This year's reductions will be followed by another 5% decline in the appropriation next year. More aggressive steps need to be taken to preserve this unit for the long term.

COMMENTS BY THE FC BAC

The BAC offers the following suggestions for addressing this crisis that will allow the unit to continue with current faculty, and to successfully address their mission to the university and the community.

1. *Preservation of faculty positions are the highest priority for the BAC.* We would like to ensure that tenured and tenure-track faculty positions be retained in the Division. Moreover, lecturer positions are important to the operational and academic missions of the Division, and while those positions are needed, out of necessity they may need to be reviewed. While part-time faculty are also important, their long-term commitment is different than either tenured/tenure-track faculty and full-time Lecturers. We would prefer that the part-time positions could be re-evaluated for their efficacy and some savings can be achieved through this review. Clerical and support positions are also important, and we would give a higher priority to those positions than all part-time faculty.
2. *The Director and faculty should consider a conversion from 12- to 10-month academic year contracts.* The model for faculty compensation throughout most of the University is the ten-month contract. The compensation budget for 2004-5 is about \$1.7 million. An aggressive 17% reduction reflected in a 12- to 10-month change would be close to the needed reduction. However, even a less aggressive reduction of about 10%, still converting from 12- to 10-month basis would have a less drastic impact on faculty, and together with cost-cutting

efforts suggested by the faculty proposal, could bring the Division closer to a balanced budget. In the meantime, faculty would gain some benefits of the ten-month contract. By University policy, a ten-month faculty member can be compensated up to about 32% of their 10-month base salary. Usually this requires external funding to achieve this maximum. For those faculty whose participation is critical to a successful summer program, the University allows up to an additional 20% compensation from state sources. Other options for the Division could include exploring interdisciplinary appointments involving other units. Since several faculty have training in other fields and given the response the response of faculty outside DLS, these possible connections might be further explored.

One current practice questioned by the BAC is the payment of overloads to persons already on 12 month contracts. Faculty workloads should reflect appropriate compensation levels already received. Overload policies and payments should be carefully reviewed.

3. *The DLS administration and faculty need to develop a more productive and effective dialogue especially during this time of fiscal stress.* It is clear from this immediate situation that much of the testimony and documentation revealed instances of a lack of shared information, candor, shared decision-making and decreasing trust by multiple parties.
4. *The DLS must consider alternative revenue streams and adjustments to their current outreach policies in order to support its broad mission.* It is clear that historical patterns of expenditures and expenses cannot be sustained in this era of declining state funding. Other units of the university have had to confront this situation as well, and tough decisions will need to be made. The BAC does not wish to micromanage what these activities are or should be, but given their current mission, policies for courses, course management, mode of delivery, and out-reach programs will all need to be re-considered. The point of responsibility-centered management is to make decisions supportable from existing revenue streams and consistent with the long term vision and goals of the Division.

Student credit hours in the current model cannot support the number of faculty in the Division and alternatives will need to be investigated. Fees charged for noncredit activities (whether \$55 or \$67/hour for faculty time) seem unnecessarily low. While noncredit activities are stated as being essential to the mission of the Unit (and we agree this is a decision for the DLS), the previously received subsidy no longer exists. To deem something essential (e.g. research) does not mean that the legislature or the University necessarily will pay for it. External funding and increased revenue from outreach programs must be sought by faculty and the administration.

5. *The DLS would benefit from economic "modeling" of its revenue and expense streams.* This analysis is offered at IUPUI and provides a thorough examination of income and expenses (via the PAII Office). Both the DLS Director and other faculty seemed uncertain of too many elements of their fiscal position, e.g. amount of time spent on

noncredit activities, income from noncredit activities, travel policies, etc., even student credit hours data seemed unreliable or at least uncertain.

5. *The DLS needs to re-examine its mission and re-define/re-assert their priorities.* As state resources continue to decrease, the Division needs to re-evaluate how they function in an academic environment. Information acquired through the economic modeling exercise could shed important light on priorities and their efficacy. The opportunities to develop faculty scholarship and its concomitant external support can go a long way to ensure the stability and viability of the Division as well as the reputation of its scholarship nationally.

While there was some sentiment among BAC members that the University should consider waiving, postponing or limiting the major reduction in light of the extra cut the DLS has had to endure, the DLS needs to make serious structural changes and a financial reprieve cannot slow those changes.

This situation is unfortunately not likely to be limited to DLS alone. It is clear that state funding continues to decline monotonically as a fraction of the cost to operate the University. The Financial Analysis Planning Committee observed that state funding likely will not keep pace even with inflation. The long term prognosis is that many units of the University will need to address similar fiscal crises and possible re-structuring efforts. The BAC hopes that these efforts will keep faculty positions and retention as a highest priority for the University.

UNIT REPORTS OF THE COMMITTEE

School of Informatics

The following review is based upon 2003-04 Annual Reports and Management Ratios on the IMIR website. Informatics and New Media faced many issues related to the move to the new building in fall 2004.

State appropriation per budgeted academic FTE = \$159,647 in 2003-04 and \$162,762 in 2003-04. This amount is the second highest on campus: University College is highest at \$524,970 and \$489,879, respectively; and School of Journalism is third highest at \$144,106 and \$121,416, respectively. The annual report indicates that Informatics received a \$2.5 million state appropriation in 2003-04 (replacing previous funding from IUB, and \$1.25 million in 2004-05).

Assessments per budgeted FTE = \$16,385 in 2003-04 and \$29,817 in 2004-05. The assessments were the smallest of any unit on campus in 2003-04 (Medicine second smallest), and second smallest in 2004-05 (Medicine smallest).

Credit Hours

The following summarizes the changes in credit hour changes since 1999. School credit hours have continued to increase dramatically, and the percent of school credit hours that are service course has decreased.

	99-00	00-01	01-02	02-03	03-04
School Credit Hours					
Lower Division	1,152	2,063	3,449	3,294	3,609
Percent Increase		79.1%	67.2%	-4.5%	9.6%
Upper Division	974	1,407	1,585	2,752	3,472
Percent Increase		44.5%	12.7%	73.6%	26.2%
Graduate	474	402	816	865	1,059
Percent Increase		15.2%	103.0%	6.0%	22.4%
Total	2,600	3,872	5,850	6,911	8,140
Percent Increase		48.9%	51.1%	18.1%	17.8%

Service Credit Hours					
Lower Division	669	1,087	1,444	1,200	1,235
Percent Increase		62.5%	32.8%	16.9%	2.9%
Upper Division	112	165	140	129	151
Percent Increase		47.3%	-15.2%	-7.9%	17.1%
Graduate	33	15	105	78	117
Percent Increase		54.5%	600.0%	25.7%	50.0%
Total	814	1,267	1,689	1,407	1,503
Percent Increase		55.7%	33.3%	16.7%	6.8%

Percent Service Credit Hours of Total Credit Hours

Lower Division	58.1%	52.7%	41.9%	36.4%	34.2%
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Upper Division	11.5%	11.7%	8.8%	4.7%	4.3%
Graduate	7.0%	3.7%	12.9%	9.0%	11.0%
Total	31.3%	32.7%	28.9%	20.4%	18.5%

Budgeted FTE

Budgeted FTE continue to grow rapidly, particularly on the academic and professional side..

Budgeted FTE	99-00	00-01	01-02	02-03	03-04
Academic	0	6	18	20	30
<i>Percent Increase</i>			200.0%	11.1%	50.0%
Professional	0	2	2	4	8
<i>Percent Increase</i>			0.0%	100.0%	100.0%
Clerical (nonexempt)	0	1	6	5	7
<i>Percent Increase</i>			500.0%	-16.7%	40.0%
Total	0	9	26	29	45
<i>Percent Increase</i>			188.9%	11.5%	55.2%

Budgeted Income

Total RC income and student fee income continues to increase significantly, as does the state appropriation. The RC has benefited greatly by the excess of state appropriation of assessments.

	99-00	00-01	01-02	02-03	03-04	04-05
Total RC Income	--		1,002,745	3,325,708	4,426,571	5,839,947
<i>Percent Increase</i>				231.7%	33.1%	31.9%
Student Fees	--		701,051	1,104,840	1,512,096	1,800,229
<i>Percent Increase</i>				57.6%	36.9%	19.1%
Indirect Cost Recovery	--		0	0	5,000	62,000
<i>Percent Increase</i>						1140.0%
Other Income	--		1,600	1,702,800	2,700	0
<i>Percent Increase</i>				106325.0%	-99.8%	
State Appropriation	--		550,051	816,019	3,239,234	4,869,840
<i>Percent Increase</i>				48.4%	297.0%	50.3%
Cost Allocation (Assessments)	--		-249,957	-297,951	-332,459	-892,122
<i>Percent Increase</i>				19.2%	11.6%	168.3%

Excess of State Appropriation Over Assessments

300,094	518,068	2,906,775	3,977,718
	72.6%	461.1%	36.8%

School of Journalism

NOTE: On the IMIR website, there is no 2004/5 budgetary report for the School of Journalism. The most recent document posted contains the School's budget submitted for the 2003/4 academic year. In this document, the most recent actual (vs. budgeted) revenue and cost data are for the 2002/3 academic year. The following report refers to these documents.

The report submitted by the Journalism School describes its fiscal situation as "stable." This seems like a reasonable description. The School ran a slight (\$2,100) net operating deficit in 2002/3, after experiencing a \$46,000 net operating surplus for 2001/2. At the end of the 2002/3, the School had \$30,000 income shortfall reserve, which (as they note) exceeds the Trustees' recommendation of a 3% reserve.

Total actual revenues in 2002/3 (\$729,274) were slightly above budgeted revenues (\$706,825), and exhibited a \$50,000 increase compared to the 2001-2 academic year (\$633,289). While the state appropriate declined slightly during this period, this was more than offset by an approximately \$50,000 increase in student tuition and fees. Revenue from students increased despite only a very slight increase in total credit hours (2,474 vs. 2,359 in '01-02). One can infer that this revenue growth was due in part to tuition increases and student fees, though this is not made explicit in the report. Almost all of the School's credit hours are at the undergraduate level. The report lists only 39 graduate hours (a decline from 105 in the prior year).

The campus assessment for 2002/3 (\$317K) was actually slightly lower than that of the previous year (\$322K).

On the expense side, by far the largest increase was in compensation, which grew by nearly \$80,000, from \$489K in 2001/2 to \$569K in 2002/3. The report does not explain the causes for this increase (e.g., how much was due to adding payroll lines, vs. increases in pay and/or benefits). In addition, the School spent \$104K on General S&E, which was both a substantial increase over the previous year (\$82K), and substantially more than was budgeted for 2002/3 (budgeted amount = \$79K). It is not clear what caused the unexpected growth of this expense category.

More extensive interpretation of the budget report for the School of Journalism is limited by a lack of detail in the revenue and expense categories, and the fairly brief narrative that accompanies the budget spreadsheet.

For the 2003/4 academic year, the documents project another sizeable increase in student revenues, despite fairly small projected growth in credit hours. The documents explain that part of this increase will be due to the School's ability to retain a larger portion of the revenues from student technology fees. However, the School projects a net decrease in total revenues, due to a projected decrease in the State appropriation, and an increase in the campus assessment.

On the expense side, 2003/4 compensation expenses are projected to continue to grow. However, general S&E is projected to drop by almost \$50,000, to \$56,912. The reason for the projected decline of this expense categories is not explained in the report. As a consequence of this projected drop, total projected expenses are projected to drop as well, bringing the projected 2003/4 budget into balance.

School of Library and Information Sciences

Fiscal Health

A brief narrative was included in the budget report that addressed the fiscal health of the School of Library and Information Sciences (SLIS); however, the budget spread sheet was not accessible on the link provided. The narrative portion of the report judges the fiscal health of the program to be sound and shows a fund balance of approximately \$700,000 at the end of 2003-04. It is expected; however, that renovation expenses (approximately \$280,000), a shortfall in tuition compared to 2003-04 (approximately \$100,000), and increases in overall faculty salary (approximately \$50,000) will reduce the fund balance for 2004-05.

Assessment Increases/Declines in Enrollment

A number of initiatives have been implemented, or are planned, in order to increase enrollments and credit hours. Examples of these initiatives include:

- Adjustment of course schedules and delivery formats to increase access to SLIS courses for full- and part-time students (e.g., weekend courses for part-time students)
- Development of internet courses; six internet courses are currently offered and three additional ones will be added by 2006
- Recruitment of more out-of-state students
- The hiring of three new tenure-track faculty, based on their areas of expertise, in order to attract more students in academic librarianship, medical librarianship, library automation, and digital librarianship.
- Plans to add three additional dual degree masters programs

Additionally, SLIS has established a goal of increasing the number and dollar amounts of annual grant applications and awards. It is anticipated that grant applications developed by Indianapolis SLIS faculty will reach \$4 million annually by 2007 with half that amount likely to be funded.

Restructuring

The SLIS budget report does not specifically discuss restructuring. However, as noted in other sections of this report, key strategies for dealing with anticipated financial stresses include attempts to increase enrollments through the expansion of dual degree offerings and through changes in course delivery formats and course schedules.

Interactions with Other Units

The SLIS has been actively involved in creating a number of joint degree programs. With the addition of three new joint masters degrees by 2006, it is anticipated that enrollments will be 5-7% above the record enrollments of 2003-04. Agreements were made for three dual degree programs in 2003-04 and additional agreements are planned for 2004-05 that include:

- MLS and Masters in Museum Studies
- MLS and Masters in Medical Informatics
- MLS and Masters in Higher Education

These dual degree programs represent significant cooperation with other units in order to enhance program offerings and enrollments. In 2000 a total of 38 MLS degrees were awarded on the IUPUI campus and by 2007, with the addition of dual degrees, it will be possible to award as many as 140 MLS degrees.

Role of Campus-At-Large

The SLIS budget report noted several initiatives or goals that are consistent with those of the IUPUI Campus. For example:

- Increase diversity among full-time and adjunct faculty members
- Increase diversity among students admitted to the MLS degree program
- Enhance civic engagement through the creation of stronger collaboration between SLIS and various library institutions located in central Indiana, including the Indianapolis Marion County Public Library, the Indiana State Library, the Indiana Department of Education, and others
- The addition of dual masters degrees as a strategy for awarding more degrees

Unit Budget Committee

The 2004-05 SLIS budget report does not include any reference to a unit budget committee.

School of Nursing

1. When assessments go up, how will these increases be accommodated?

Past practice in SON indicates an increased emphasis on research to generate money to support school. Total research and sponsored programs income = \$6,443,349 (03-04) generated \$610,500 in indirect cost dollars—approximately 4% of total income for school. Indirect cost dollar recovery relatively small due to type of grants that do not permit ICR returns. SON also enhanced capacity to conduct funded research—through a training grant to fund three postdocs and is remodeling space in nursing building for research.

2. To what degree is re-structuring occurring in your unit now in anticipation and realized or expected financial stresses? Have faculty within your unit worked with administration on these plans?

Total expenses of SON increased by 3.7% (03-04) accompanied by declining (1.9%) state support dollars. Tuition supplies roughly 20% of budget. Without additional funding school proposes to cap undergraduate enrollments.

3. With the RCM context, how do you structure your interactions with other units? For example, course or degree competitions etc. is there a line of communication? Not available

4. What is the role of the campus-at-large in your decision making? Can you give examples of decisions in the interest of the campus and less so your unit? Not available

5. How do you address potential declines in enrollment and their financial consequences?

Actively recruiting students at the middle-school level.

Hired a professional recruiter.

Developed continuing education courses for professionals in the field

Developed online teaching certificate and online supported PhD program.

Developed programs to improve student retention.

Working with Clarian to establish additional \$10 million scholarships. In 2002-2003 dispersed \$149,000 to undergraduate students and \$100,155 to graduate students in addition to \$97,313 in fee remission for graduate students.

6. Do you have a budget committee in your unit and what is there role? Does the committee have faculty membership? Others?

School does have a Budgetary Affairs Committee chaired by a faculty member that serves in an advisory capacity to the dean.

University College

Fiscal Health

The University College Annual Planning and Budgeting Report for 2004-05 includes a spread sheet and a narrative summary. The Total Fund Balance at the end of 2003-04 was \$2,970,117. Based on the spread sheet information, budgeted Total Income for 2004-05 is \$7,801,647 and Total Expenses are also \$7,801,647. The projected Income Shortfall Reserve is budgeted at \$234,049 (3%).

The narrative portion of the report judges the fiscal position of University College as marginally acceptable. Key points of this narrative include:

- An increasing proportion of programs rely on outside funding sources
- During the past year, reductions in the Perkins program have led to reductions in advising staff
- There are plans to renovate space formerly occupied by UITS for additional classroom space; these costs will deplete accumulated reserves
- A proposal has been made for the adoption of a fee akin to that of University Division at IUB in order to support programming for entering students
- Increasing costs associated with running programs desired by other schools are a concern
- A review of the Career Center concluded that the unit was overextended and needed to prioritize their mission since no new monies from IUPUI are expected in the future. Reprioritization has been accomplished, though an immediate concern is how to cut costs in order to transfer \$25,000 to the Solution Center in order to fund a full time Internship Coordinator position by July 1.
- Another budget issue concerning the Career Center relates to the placement center opened by The Kelley School of Business. The KSOB placement center offers free services to area employers and charges students a \$35 placement fee. The Career Center traditionally charged employers a \$25 fee and students were not charged. In order to appear uniform and competitive with the KSOB program, the employer fee was eliminated and this will lead to serious budget problems within the next few years.
- Also related to the Career Center, the JLD Federal Grant is capped at \$50,000 while expenses grow each year and student employment becomes more and more dependent upon the main Career Center budget
- The Honors Program budget is characterized as sufficient to support the programs it currently offers. However, with the addition of Bepko Scholars, additional funding will be critical in order to maintain the number of new Honors students that have been supported in the past

Assessment Increases/Declines in Enrollment

A number of initiatives have been implemented, or are planned, in order to deal with increasing assessments and/or enrollment declines. Examples of these initiatives include:

- Increasing enrollments, academic achievement and retention through a variety of offerings such as a summer bridge program, first semester learning communities, and various other support programs
- Creating new partnerships and building on existing partnerships, sponsorships, and fund raising events that seek new sources of support for undergraduates
- Instituting or increasing a variety of fees (e.g., orientation fees, academic support fees, Career Center service fees)
- Increasing external support from grants and contracts
- Reallocation of resources to support joint positions

Restructuring

The University College budget report does not specifically address restructuring issues. However, as noted in other sections of this report, key strategies for dealing with anticipated financial stresses include the establishment of joint faculty appointments, increasing various student fees, enhancing programs for increasing enrollments and retentions, and increasing outside funding.

Interactions with Other Units

The nature of University College's mission requires close collaboration with a variety of academic and other units on campus. Within the goals and activities of University College a number of interactions are described that directly or indirectly relate to RCM issues. The reallocation of resources to support joint positions represents one such collaboration. University College also reports working with such units as The Office of Scholarships, Campus and Community Life, the Mathematics Assistance Center, and various schools and academic departments in order to enhance enrollments and retention while maintaining quality programs.

Role of Campus-At-Large

University College initiates or cooperates in a wide variety of activities and programs that are consistent with campus goals. Examples include:

- Increasing diversity among faculty, students, professional staff and support staff
- Working with community organizations, government units, and area schools to raise K-12 student academic aspirations and achievement (e.g., 21st Century Scholars Program, Upward Bound, Bookmarks Program)
- Sponsorship or collaboration on a wide variety of programs designed to enhance student enrollment, retention, and achievement at IUPUI
- Efforts to increase funding for student scholarships

Unit Budget Committee

The 2004-05 University College budget report does not include any reference to a unit budget committee.