

Budget Council Meeting

8.31.12

Tigert 202

In attendance: Florin Curta, Laura Sjobeg, Brian Harge, Marc Heft, Paul Mueller, Alex Berkovich, Matt Fajack, Josesph Glover

Absent: Curtis Reynolds

Provost Glover addresses the committee. He explains that this is an important year, especially in terms of the Presidential Search. We might want to think in terms of deep feelings about the budget to pass on to the next President. If we do the groundwork and bring it to the Senate in digestible form, that would be the best way. Nothing off the cuff is going to work.

When we do that work, we should be aware of the tradeoffs, in terms of who benefits and who loses.

The Provost discusses three main potential directions: 1) some say RCM discourages interdisciplinary work. While the Deans collectively determined this was not a problem, it is still an issue for faculty perception. Is this true? If not, how do you convince people? 2) Should out-of-state students be taken off-book? This either has to be done across colleges or not at all, since, when one college does it, it affects all. 3) the balance between post-docs and graduate students (where they cost the same to a PI but the University benefits from graduate students not postdocs and the PI prefers postdocs' experience (**Brian** notes that the College of Medicine made grad students cheaper by distributing Alumni Fellowship money)).

The senior VPs have for the most part resisted changes to RCM because the new President will undoubtedly make some changes.

Marc Heft suggests that the biggest stressors on the faculty don't seem to be the biggest problems for administration. Faculty are concerned with how Deans make decisions from RCM and whether or not they apply it at the College Level. Marc wonders whether there is communication between Provost and deans about how it is internally applied? **Provost Glover** suggests that the Provost's office knows it is applied differently at the college level, and doesn't want to micromanage.

Laura Sjoberg suggests that RCM will be impacted significantly by the new state law on General Education (reducing the required credits and streamlining courses). Laura wonders whether the Provost's office has a sense of what will happen there. The Provost suggests that communications, math, and the hard sciences are unlikely to feel any effect, but the Humanities and Social Sciences may.

Cheri Brodeur addresses the committee. She explains that this is a hard committee, because there are a lot of complexities. We have been waiting to see about RCM – from a faculty point of view – is it working? If not, can we fix it?

It is clear that college culture matters in how it is working – what are the issues at the University level? At the college level?

As you see issues, take them to Matt (the CFO) and the RCM committee because they can't deal with it if they don't know.

How many of the problems are related to the budget crash and how many of them are actually problems with the budgeting system? From a faculty viewpoint, we'll be asking for a rundown with a report. Initially, we said to give it three years and see where it was going. Now, we're three years in. What are the perceptions, and what are the real issues? She suggests its time to look and this and see if it is working, then hopefully get past it and use the energy for something else. A fair amount of this is making sure that faculty know what is going on, and correct misperceptions.

Brian Harfe suggests perhaps the Budget Council could do something to clarify the ridiculousness about carry-forwards and unallocated reserves that people carried on about last Spring. Should we figure out what it is and where it is and what its committed to, and be able to tell people, so it doesn't become a big deal again?

Marc Heft suggests that it is reasonable to show – at the college budget level- where that money is. It would also be helpful to change from “unrestricted net assets” to two categories: “committed” and “reserves.”

A conversation ensued on what level of specificity should be disclosed (too little is mysterious, too much leads to questioning every priority).

Matt Fajack addresses the group. He notes that we cut 30 million dollars from the budget, and then planned on a 15% tuition increase and didn't get it, resulting in a deficit of between 4 and 5 million taken from the Strategic Fund. The Strategic Fund is now down from around 11 million to around 7 million, with about 1.8 million of that committed.

Altering state's willingness to pay retirement for people being paid by grants has been hard for the University budgetarily. Working on getting that overturned, but not optimistic.

There's a looming potential budget problem with the retirement cuts two years ago. The lower court says it has to be given back. Its not clear whether that means that we have to give people the money back out of their retirement accounts (where the University wouldn't lose the money) or pay people 3% in addition to what was put in their retirement accounts (which would be a budget drain of about \$25 million in one-time money and \$18 million recurring). There's a pending appeal to the State Supreme Court, and we don't know what the results are going to

be. The worst case scenario is pretty disastrous budgetarily, though, and plans aren't really being made to fix yet.

Those are this year's issues. Next year looks better. Predicted state revenues have been revised upwards, and are hitting those targets. For whatever reason, the general state budget is looking up. Medicaid is the variable we're not sure about, but it looks like there will be no appropriations cut this year.

Additionally, the preeminence bill is not dead. There is a task force on higher education that will be supporting it, focusing on cost-to-graduation not cost-per-credit-hour. This is where UF shines – a University of Texas report finds UF #1 in the country in cost-to-graduation among AAU institutions. This is where the presidential search might work to attract top-level AAU administrators concerned about the cost of education. UF looks good there compared to other states.

Marc Heft notes that it might be worth exploring Deans' budgeting more.

Brian Harfe suggests he will start an email conversation about ideas of stuff to put on our agenda this year.