



## **Budget Allocation Subcommittee**

**October 29<sup>th</sup>, 2019**

**3pm-4pm**

**Barge 412**

### **Present**

Gail Mackin, Patrick Stanton (guest), Stuart Thompson, Alice Fulleton (proxy for Josh Hibbard), Jill Hernandez, Lad Holden, Paul Ballard, Kevin Archer, Jeff Stinson, Carolyn Thurston, John Logwood, Tim Englund, Katharine Whitcomb, Traci Fjellstad

### **Absent**

Josh Hibbard, Alejandro Alcantar, Dennis Francois, Jenna Hyatt, Shane Scott

### **Minutes**

October 1<sup>st</sup>, 2019: Postpone to next meeting

October 15<sup>th</sup>, 2019: Postpone to next meeting

### **College Presentation Dates**

Gail reported that she received a couple of notices between the last meeting and this meeting; one was an email from Katharine Whitcomb. In the BPC meeting, there was a consensus by the members that the college deans should give a budget presentation, and that this should take place in February.

Paul reported that in his college, he is already scheduled this quarter/next quarter to go through, meet with each of his departments, and discuss budgets. He feels that it would be redundant to present separately at the Budget Summits. Gail countered with the fact that the Budget Summits are intended for the entire campus community, not just the individuals associated with the particular college that is presenting. Paul argued that the summits are not well-attended; the only people who seem to show up are those that *have* to be there. He asked that the purpose and reason for the college deans to have to do this be clarified; as it stands, he is not willing to present unless there is a good reason for the campus community to hear us present. Gail suggested that transparency was the purpose of the summits, but Paul offered that he is already transparent with his college, and if anybody wants information on their budget he'd be happy to provide it to them. Gail noted that at the last meeting, Jeff mentioned that he'd be willing to present; when asked again today, Jeff reported that he did not care, but he did not believe it was a meaningful exercise. He also agrees with Paul in that his college/departments will have already seen all of the budget data. Additionally, the information they present in February is make-believe; they have no idea what their allocations are going to be; one thing he learned this year is that he will not

spend time next year detailing what they would do with a carry-forward that may or may not actually exist come June. In doing so this year, they found out in June that instead of being in the black they were in the red, yet Jeff was on-record at the summits saying they were going to invest in various efforts in the college using carry-forward funds that ended up not existing. Jeff suggested they can't present a meaningful budget for FY21 unless something significant changes this year relative to last year where we have stable budget information. Tim agreed that we are already transparent; they end up presenting their budgets 6 or 7 times (open to the campus community) throughout the year. He believes that worse than appearing not transparent is getting up in front of people and presenting inaccurate or even false information; it degrades respect of the process and we saw that last year in the attendance to the summits – maybe 2-3 faculty, and a few members of this committee. Gail suggested another option could be to use the summits as a time to reflect and provide an overview of past year's budgets. Tim responded that if we go that way, the questions on the college report document would need to be changed. There are also no questions related to the core mission of CWU. Jeff stated that he agreed 100%; the questions about efficiencies are not helpful – they can't cut any further. Paul again brought up the question of what is the purpose? What is the benefit of the deans presenting there? If there is a benefit and it is going to be worthwhile and it is something that people will actually attend and listen to? Jeff also noted that carry-forward plans aren't even due until May 15<sup>th</sup>, and he doesn't feel comfortable reporting on what that will be spent on in February when they don't have that information.

Putting the topic forward to the whole committee, Gail said for the sake of transparency, she believes all divisions (including colleges) should present. It could be a rotational presentation (two colleges one year, two the next – similar to the deep dive plan for the division presentations), but this is our budget summit and it is our opportunity to shed light on the way in which all divisions are handling their funds and how they're investing toward their missions; but, we can entertain a different type of format. Gail asked if Katharine wanted to weigh in on the conversation, as the request came from the committee she was a part of (BPC). Katharine confirmed that the committee did suggest that the college deans present in February; Tim suggested that the BPC should present as well so that the campus community can understand the mission/goals and the charges of that committee, and that that information should be public; as it stands, the BPC is saying they want the college deans to present, but the deans don't know what agenda of the BPC is. Katharine noted that the charge and other information for the BPC is located on the Faculty Senate website. She reported that the committee is comprised of faculty members who have been charged with making recommendations to PBAC regarding the budget – RCM in particular. Tim said if this is a presentation where the deans get to get up in front of campus community not necessarily about the budget specifically, but to talk about the great things happening in their colleges; he used Josh Hibbard as an example as it relates to the Budget Allocation Requests because Josh is able to present on all of the great things that Admissions is doing and how that is positively impacting the university and make the case for why they need additional funds. If that is the approach that can be taken for the colleges as well, then Tim reports he's happy to do it. But he doesn't want to go in and just talk about what they're going to do with carry-forward.

Gail stated that she appreciated the conversation regarding the February date and how it is the wrong time for the colleges to be able to discuss carry forward. If the college deans and some other members from this committee want to get together and identify what *should* be discussed... Jeff cited a comment Tim had made being the key piece to this, which was the fact that all four colleges are projected to overspend their allocations this year. If you go back to the college presentations from last year though,

all of the deans had reported that they were not expected to overspend, but instead were going to have hundreds of thousands of dollars to invest back in to their colleges, but that ended up not being accurate. Giving *this* information to the campus community may be more transparent. Gail offered that maybe just a budget status report would work – Tim suggested that it should be a high-level overview. Jeff said personally, he wants to get away from the speculation because in February it is too early for the colleges to be speculating about the upcoming year. Katharine responded that at the heart of the BPC recommendation, through all of the surveys that are done about the experience of the faculty under RCM (within the colleges/departments), the issue is that they don't have enough allocation to provide to the students adequately. There isn't enough money in the colleges to provide enough sections and enough programs to the students, and that's the bottom line. Paul responded that, speaking for CEPS, their revenue is less than their expenses in CEPS; thank goodness they had carry over previously and hopefully in the RCM model they'll see a return on their investments over the next year or two but right now, they're spending in to a deficit. If they do speak in February, they'll only be able to report on how they've spent funds this year and how they'll end this year; they won't be able to speak about future projections. Lad noted that the BPC agree/know that the colleges don't have any money; that's what we want the colleges to say. Paul said he was happy to do that – to provide the reality of the situation; though it's taken a few years to get that information. Gail asked Jill for her thoughts. Jill suggested that if she were to present it would be a month-by-month analysis of the questions she raises to Budget, and the answers she's not getting. She provides an example of a meeting she just had with one of her budget managers where it looks like she is \$3.5 million underspent, which is definitely not accurate. She would be happy to say that in September, their debt doubled in four days inexplicably and they still don't have an answer for it, and then in October, they looked like they were underspent by \$3.5 million. Their hope is that they are going to get to a point where we can explain these numbers to Joel and to Lynn before the roadshow gets to CAH. She just wants answers. If the conversation expectation is that she legitimize a process for next year, she can't do that with integrity. If she can explain honestly what their challenges are and what they plan to do with what little they have, she is happy to do that.

Gail asked if the following sounds reasonable: February presentations for the colleges, with modification – in the form of a status report perhaps? The college deans can get together with John and a few others from this committee and outline something that is similar to the existing model, but with enough flexibility to provide an overview of the college that is unique to each dean. We don't have to have final decisions on the format now; the end of November would be the deadline for changes. This would include the College Budget Report document and the PowerPoint format. Gail called for volunteers to work with the deans on this: John Logwood, Stuart Thompson, and Kevin Archer all volunteered; Kevin was identified as the lead. It was determined that the suggested changes would be presented to the BASC on November 26<sup>th</sup>, with a vote taking place on December 10<sup>th</sup>. Tim noted that he's out most of November.

### **BPC Letter/Recommendations to PBAC**

Gail reported that at the PBAC meeting, Joel reported that he had communicated the points that the BPC brought up in their letter. Those points were:

1. The President should make a written statement at the beginning of the budget process that articulates the priorities and parameters for the upcoming budget cycle.

2. Decisions about changes to percent distributions of funds across support and academic units should be differentiated from decisions to fund specific allocation proposals.
3. The administration should specify the amount of money available for allocation and the sources of funding at the beginning of the process.
4. Allocation funds for support units should be a redistribution of funds entirely *within* the support divisions of the university.

Joel reported that the President was amenable to these recommendations. Joel suggested that the BASC could obtain the priorities by referring to the State of the University Address, which identified priorities as Retention, Diversity of Staff and Faculty, and Sustainability. Joel said that he and the President would identify the number (maximum amount) for allocation funds, but Gail reports that she has no idea when that would occur. She will talk with Joel and get a best estimate for that so the date can be included in the timeline per the BPC request. Joel also said that he and the President would be writing a memo back to PBAC regarding the BPC requests. Gail will be updating the timeline and recreating the workflow process for this year, but she hasn't had time to do it yet.

### **Other Info From PBAC**

Regarding the "deep dive," there was concern from PBAC about the divisions that had been selected to present this year and next year (two sets of three); the three divisions that were chosen to present this year were all supported by one person, so it needed to be split differently. The three divisions that will now present this year will be Enrollment Management, Operations, and University-Wide. Next year, the other three divisions (ASL, President's Division, and BFA) will present. Tim asked how many hours of presentations this model would equate to; Gail and Patrick reported there are currently six hours on the schedule – one day for divisions (one hour each) and one day for colleges (40 minutes each). Patrick commented that "you can only go so deep with one hour," and Tim agreed and made the point that we just said we're going to do a quick status report on the college budgets, but they're scheduled for almost the same amount of time as the "deep dives." It was suggested that for the "deep dives," while it seems as though it could take more than an hour, this could perhaps be mediated by the types of questions and topics we ask them to present on, and then ensure that the presentation stays on-track to the things that would be interesting to those who aren't already in the know. Gail provided a list of topics that have been suggested for the "deep dive" so far:

1. Position control over the last five years
2. Overview of head count
3. Wages/benefits
4. Comparison to student enrollment
5. Stewardship of budget increases/allocations over the past five years

Considering that University-Wide will be a shorter presentation, it was suggested that we could allot more time to the other two divisions on the first day of presentations.

Patrick reported that they can very easily put together information based on the above topics. The question is that these will be numbers on a piece of paper; it's really the conversation about those numbers that will be important. Most of the University costs are wages, so it makes sense to break out data on FTEs and similar information. Another topic may be what other funds do divisions function from outside of state funds, and do they have resources there? If so, what are their plans for those? He

anticipates that everyone will say they need more money; it may be worthwhile to ask if they needed more money three years ago and didn't get it, how are they doing everything they've been tasked to do still over those three years? Gail asked whether or not there was information somewhere regarding historical asks for additional funds (prior to the budget summit model); Patrick suggested there should be. Kevin clarified that for the sake of this committee, we are trying to identify whether or not there are other funds available/internal ways of shifting funds to cover increase/allocation requests prior to recommending additional funding to those divisions/departments. This information should be addressed somehow in the "deep dive."

Tim noted that one of the ways that people have gotten around the "gauntlet" of this committee (because it is really hard to get an allocation approved) is through joint funding, or through sponsored funding from the colleges. This circumvention of the allocation process needs to be addressed in the "deep dive." Gail mentioned that there are also the divisions/departments that charge for their services, such as Project Management, Facilities, etc. Gail stated that she would type up her notes regarding the "deep dive" topics and would send them around to the committee for comments/additions. Patrick asked for clarification on which five years of historical data this committee was interested in; it was determined that we should include this year (FY20), and the previous five years which would give us three years of RCM data and three years of non-RCM data.

### **Budget Report Form**

The dates have all been updated on the form; Gail asked if there were any other changes this committee would like to make.

#2: John reported he will work on the verbiage that will work best in this report for identifying salary savings and account for vacancies over the fiscal year. The goal would be to see variances in forecasted versus actual wage costs so that presenters can explain what those variances are and why they exist. The group identified two main questions that are trying to be answered with this section: capturing some gauge of what your vacancy rate is, and trying to capture positions that are being invested in between years. It was suggested that providing an example for the bulleted item would be helpful.

No other changes were suggested; John will modify question #2 and bring back to the next BASC meeting.

**The meeting was adjourned at 3:55pm.**