3-20-2003

Faculty Senate Chronicle March 20, 2003

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the university of akron
Chronicle

a report to the faculty of
the university of akron

Corrected

2002-2003, No. 7

March 20, 2003

29 Pages

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MINUTES OF THE SPECIAL FACULTY SENATE MEETING OF MARCH 20, 2003

Chair Dan Sheffer called the special meeting of the Faculty Senate to order at 3:01 p.m. in Room 201 of the Buckingham Center for Continuing Education

Forty-three of the sixty-three Faculty Senators were in attendance. Senators Carri, Drew, Graham, Johanyak, Jordan, Lee, Maringer, Spiker, Svehla, and Wilkinson were absent with notice. Senators Belisle, Braun, Crain, Dalton, Redle, Soucek, Trotter, Walter, and W.Yoder were absent without notice.

SENATE ACTIONS

*** APPROVED RESOLUTION REAFFIRMING SENATE COMMITMENT TO ACADEMIC FREEDOM AND THE RIGHT AND RESPONSIBILITY TO PROVIDE LEARNING OPPORTUNITIES FOR STUDENTS. APPROVED RECOMMENDATION TO THANK PBC FOR ITS HARD WORK ON THE BUDGET.**

Chair Sheffer began the meeting by stating its purpose was to discuss the budget. Speaking on behalf of PBC, he encouraged Senators, rather than amending the budget today, to bring questions, issues or concerns to the floor so that they might go back to the PBC. PBC was meeting again next Thurs. and again the Thurs. before the next Senate meeting. Therefore, PBC could continue to take concerns regarding formulating a budget to bring before the Senate. This would happen at either the April meeting or we could actually schedule one extra meeting of the Senate in April. This was the desire, to take the budget to the April Board meeting.

Chair Sheffer then called upon Senator J. Yoder. Senator J. Yoder stated she would like to make a motion to suspend the rules so that the Senate may consider a motion in support of academic freedom. Senator Erickson then seconded this motion. The motion carried with the necessary two-thirds majority. Senator Yoder then presented her motion which read as follows: **We the Faculty Senate reaffirm our commitment to academic freedom and the right and responsibility of faculty to provide any and all learning opportunities for students that promote cognitive, social, and personal development as outlined in our mission statement 3359-20-01(A)(1).**

Senator Broadway seconded Senator J. Yoder's motion. Senator J. Yoder then addressed the rationale for the motion (See **Appendix A**). Senator J. Yoder stated the rationale had to do with the timing in response to the recent debate about the legitimacy of war protest as a forum for student learning. She thought issuing a statement at this time was important because it reaffirmed what we had already established as University policy. It was meant to help the administration legitimate what some faculty might choose to do, and also to

remind faculty that along with the right to determine the content of our classes came a responsibility to connect what we did with learning. So no one was suggesting that faculty cancel their classes without reason, but rather, that we should be able to capitalize on teaching at the moment.

Chair Sheffer called for additional comments. None forthcoming, he called for a vote. The motion carried. Chair Sheffer then called for Senator Rudy Fenwick to begin the discussion of PBC's budget as presented to the Senate.

Senator Fenwick thanked the PBC and especially Rick Maringer for preparing the Powerpoint presentation. First, Senators would look at the assumptions for the budget that were sent out on Senate listserve earlier this week **(Appendix B)**. One had changed concerning the pay increase versus the employee contribution to cover increased health care costs. One of the suggestions was that part of that raise pool be used as an across-the-board component to cover health care increases. PBC this morning passed a recommendation as follows: **A portion of the salary pool will be allocated in an across-the-board fashion in an effort to offset some or all of increased health care contributions of faculty, staff, and contract professionals.**

Chair Sheffer then called for discussion of the recommendation. Senator Norfolk offered the following amendment to be inserted into the recommendation: **"across-the-board as a percentage of salary."** Senator Hebert seconded Senator Norfolk's amendment, stating he wished to speak in favor of the amendment. In all likelihood the health care cost contributions were going to be a percentage of the salary. It certainly made sense then to do the across-the-board component in the same fashion.

Senator Steiner asked whether the wording of this proposal would jeopardize any of the advantage of putting that money in salary (because that counted toward retirement). Senator Fenwick had said specifically the reason for this was to offset contribution to health care costs. Senator Fenwick replied that, no, as long as it was a salary increase, whether across-the-board or merit or whatever basis, it would go to setting the level of retirement.

Chair Sheffer called for further discussion. None forthcoming, he called for a vote on the amendment. The amendment carried. The recommendation then read as follows: **A portion of the salary pool will be allocated in an across-the-board fashion, as a percentage of salary, in an effort to offset some or all of the increased health care contributions of faculty, staff, and contract professionals.**

Chair Sheffer then called for discussion of the motion. Senator J. Yoder asked whether the motion referred to a basic health care plan as opposed to the different levels of health care and different costs associated with those levels. Senator Fenwick replied that that was correct. Senator Erickson then stated that as a member of Well-Being, she understood how very complicated these things were. Senator Kennedy then asked whether this had any

impact on the employee with no one but him/herself to cover? Senator Erickson replied that the Well-Being committee was working on the proposal.

Senator Witt stated that he was under the impression that we were slightly amending the spreadsheets that were handed out last time. That included no increase for employees and the increase in health care coverage that would be for family members. The $1.9 million was the increase for dependents?

Senator Fenwick replied that the 1.9 was what PBC suggested the employee contributions for all increases in group health care insurance would be. It was not the role of PBC to delve into specific plans because that got very complicated. It was up to Well-Being to negotiate. So what PBC had to do was a gross average, so this might or might not help every individual. There was no way under what PBC was doing that we could guarantee that.

Senator Witt then asked whether what this amounted to was a little insurance policy for the faculty in the event there were increases in an individual's health care and he/she was the only one covered. Senator Erickson replied that that was correct. No further discussion forthcoming, Chair Sheffer then asked Senator Fenwick to read the amended recommendation, Chair Sheffer called for a vote. The chair ruled that the recommendation passed.

Senator Fenwick continued with the other basic assumptions of the budget. These included a 5% reduction in academic operating budgets; a 10% reduction in non-academic operating budgets; $1.5 million for a Peoplesoft 8 upgrade; a 50% reduction of University advertising expenses; an increase in the campus contingency fund to $1 million; an increase in budgeted scholarships to reflect the 9.9% increase in tuition; and a rejection of requested additional support to auxiliaries, especially the Student Union, Rubber Bowl, and athletic operating.

Senator Norfolk asked whether the PBC had received any feedback from the VP's offices as to whether a 10% reduction was feasible. Senator Fenwick replied that he had received no feedback. Senator Norfolk stated that his point was that, if Senate passed a budget that assumed this and then every single VP came along and said that we absolutely could not do this, then Senate had just wasted a whole lot of time. Provost Hickey replied that there were some VP's who had the opinion that it would be virtually impossible for them to give 10% more.

Senator Erickson stated that it should be the VP offices that should be passing back to PBC what the problems would be. That was what this whole interactive process was about, and she would be very concerned if it did not take place that way.

Senator Jimenez pointed out that PBC did ask all VP's to report on different scenarios with 5, 10, 15% cuts to their operating budgets. All the VP's were not explicit in their explanation on how they would handle a budget cut. Therefore, if 10% was implemented,

they were going to have to live with it. We gave them an opportunity to voice their opinion and they did not do so. In addition to that, the basic assumption also failed to reflect a half million dollar increase to Legal Counsel.

Amy Gilliland spoke, with the Senate's permission, stating that the cuts under discussion were limited to those of operating budgets, not operating and salary budgets.

Senator Erickson then stated she felt it important to discuss the budget line-by-line. Senator Fenwick replied that was how the discussion was going to proceed. He then began the discussion of the budget structure. There were two major sections. Revenue sources would come first and then expenditures. Of the 127 lines in the budget, 28 dealt with revenues and 99 dealt with expenditures. In this breakdown the first four lines, instructional fees, included tuition. Then were listed general fees, special fees, state appropriations, endowments and other. Expenditures listed again, the major breakdowns of compensation which are department operating cost, continuing obligations, academic and other, and then transfers out. These four lines represented the instructional fees and changes from this year's budget to the projected budget next year, and also included the 9.9% tuition increase. PBC was projecting a $10 million-plus increase from instructional fees. He then directed Senate's attention to the various fees listed which represented an increase of a half million dollars plus some general fees.

Senator Norfolk then asked why there had been such a huge drop in miscellaneous fees? Amy Gilliland replied that that line reflected actual receipts.

Provost Hickey then asked whether the library fee was in there. He had proposed that and it had already gone forward. Senator Fenwick replied that is was not; there was a $3 fee to be used for the library. Provost Hickey stated it was $2 for undergraduates, $3 for undergraduates except freshmen, where there was no fee, and $3 for graduates per credit hour. Senator Fenwick stated that PBC had discussed this but had not incorporated it into the budget. It was earmarked for the library and was estimated at $800,000.

Provost Hickey added that it was in response to the Libraries Committee's strong request that we find additional resources for books, serials and other learning-related material.

Senator Harp added that the Libraries Committee had met and at that point Dr. Gaylord was still in charge of the library, and we did approve the principle of the library fee at that meeting with complete consciousness of difficulties imposed on students. We would rather have a discussion about difficulties imposed on students with our football program than a discussion about whether or not to have a library at the University.

Senator Witt stated that he had a few questions about the fees. He had visited the University's web site to understand these things. The facilities fee - this funded the construction of two new student facilities. So, we should assume that as those buildings were completed that this fee would go away in coming years? Amy Gilliland replied that that fee

was to pay for the debt for those buildings for 30 years. Senator Witt then asked about the technology fee. According to what was stated on the web site, there were several items that this fee was used to fund. Was this the extent of the use of the fee? Amy Gilliland replied that a portion of that fee went to the colleges and the remainder to VP/CIO and should be used for the items listed.

Senator Sterns then asked for a point of clarification. If there was going to be a library fee and PBC was recommending it, was it going to be expressed in PBC's motion? Senator Fenwick replied that it would be incorporated in the next iteration of the budget.

Senator Steiner then asked whether someone could provide a short version of the explanation of what lines 13 and 14 were funding. Provost Hickey replied that line 13 was developmental programs, a fee that was charged on each credit hr. of developmental courses that were taken. It was to support all of the tutoring and mentoring and other activities that were associated with each developmental course. The proposal was to increase that fee dramatically this year from $2 a credit hr. to $7 a credit hr. Even doing that would put us in the bottom 25% of the fees charged for developmental programs around the country. Career advantage fee was the fee that supported the career advantage program and the career management center that provided career advice and counseling, internship opportunities. That was put in place a year or two ago.

Senator Erickson then asked for clarification of the technology fee. As CCTC was working on this, was this therefore in escrow?

Senator Norfolk stated no; CTCC was working on what to do when the laptop program expired. That was a separate issue. Part of that info. tech. fee was returned to the colleges. In theory, each college got $500 per full-time, tenure-track faculty member for 2001. For each laptop that was purchased for a faculty member in that college, Dr. Gaylord kept $250 and funded the rest from his money. So each dean in the college got a chunk of money for technology development, which included machines and other equipment for teaching use - machines on faculty members' desks, and teaching money. So there was none of this money in escrow.

Amy Gilliland then offered a comment on the $500 per faculty member. That would be the technology fund in line 112. This info. tech. fee was when colleges initially got 35% of fees; it was fixed at that amount. Senator Witt then asked if 35% of the $4,200,000 went back to the colleges somewhere. Amy Gilliland replied that initially that was the plan. In 2001 the colleges got 35% and were fixed at that level. Provost Hickey added that it was fixed at a dollar amount, not a percentage, whatever 35% was in 2001. Senator Witt then stated it was heftier than $250 per faculty member. There were two separate fees going on here, and Senators ought to keep that in mind.

Senator Broadway then added that his understanding from PBC was that there was confusion about the amount of money going to the college or whether all was given to the VP for Information Technology. That was the charge that was sent to the other Faculty Senate committee, to look into that issue and to determine what the present practice was. So where that money was actually being spent and who was spending it had not been clearly stated. It was under review by another committee of the Faculty Senate.

Returning to the library fee, Senator Sterns then recommended that PBC put the library fee into the budget as a line item.

Provost Hickey then added that there were another whole set of fees not seen because he had not seen them yet. Those were the individual course fees that came from the colleges. That would be one of the things he did this weekend, to go through the very thick stack of those recommended course fees. It would literally be a stack about 2 inches think of course fees tied to the individual courses and how much increases were going to be. So those numbers would be available next week.

Senator Witt questioned an accounting procedure for course fees that was handled at the department level and whether that was correct. Provost Hickey replied that course fees went directly back to the departments. Senator Witt then asked that if those fees were not spent in a semester and we had to readjust the course fee, whether that was taken care of at the department level? Provost Hickey replied that he hoped so.

Senator Harp stated he had a comment about the library fee. A few days ago Mike Nelson and he had met with Dr. Gaylord. Senator Harp reported that it was he who had proposed the Libraries Committee fee. It was not a librarian and it was not a Faculty Senator, except himself; it was not anybody in the administration. So Senators were welcome to blame the person in history who advocated that, if we had a technology fee and it was considered a legitimate use of resources, and we had a football program that was considered legitimate use of resources, having a library fee dedicated to the library was a legitimate use of resources.

Senator Fenwick asked whether there were any other questions about the loss of state funding. Moving on to endowment and to summarize the revenue from various sources, overall there was an increase of 3.1% in revenue. The full-time faculty line included a $1 million amount for compression and equity. We were reducing the money available from vacant positions and from staff. Senator Erickson then asked whether the reduction of staff was a reduction in the number of staff. Senator Fenwick replied that it was.

Senator Pinheiro had a question about line 24 and whether that was time release funds? Provost Hickey replied that time release was academic year faculty time purchased for research grants. Amy Gilliland added that it was time on research grants. Provost Hickey then asked whether this was an estimate of what would be needed to cover people coming off

research grants going back onto institutional funds. Amy Gilliand replied that that was correct. Provost Hickey then asked on what evidence had the move from 140 to 300 been done. Amy Gilliland replied that the current year we had cut it back to 140 with budget cuts.

Senator R. Huff then asked about the phrase, "summer faculty." Provost Hickey stated that up until this past year there had been a separate summer instructional budget that was allocated to the deans. Those budgets were all incorporated into the deans' overall budget. Summer budget, academic year budget, and part-time faculty budget was all pooled together this past year, and the deans had the flexibility to use the money as they saw fit. But it had to cover the entire year. This simply represented an amount equivalent to what was budgeted in year 2002-2003. In all honesty, his preference was that we phase out the part-time faculty budget and the summer faculty budget as separate line items and simply incorporate them into the overall budget of the college. Then the overall budget of the college was impacted by the calculations of the return on investment money.

Senator Sterns asked whether the same caps would be in place for summer semester. Provost Hickey replied that there was a policy in place that governed the number of credit hrs. that could be taught each semester and those would remain the same.

Senator Fenwick moved on to lines 41-45 - reduction in graduate assistant VP research. The big item of course was line 45 which reflected the 3% raise pool. Senator Calvo then asked where the money for line 41 came from. Were those actual fees that the graduate students paid, the money we got from the state for graduate students enrolled? Amy Gilliland replied that the money for the stipends the graduate assistants were paid came out of the general fund.

Ms. Gilliland then spoke about the supplemental funding. Several years back some colleges felt they were not getting enough grad. assistant money centrally, so they sacrificed some of their operating funds, and that level of funding had been maintained. So it was in addition to what the VP for Research got. Senator Sterns then asked, that with the reduction in graduate assistantships, did that mean that we got less money in subvention for graduate credit because we had fewer students enrolled at the graduate level? Provost Hickey replied that that was not the case if we managed it properly. We were giving graduate assistantships to people who had exceeded the number of hours for which the state would pay and were not getting any subvention for them whatsoever.

Senator Gunn then asked about the RTP funding and what happened to that. Provost Hickey replied that because a lot of people had been promoted this year, those were the funds that came to his office for promotions. It was based on the number of promotions that went through to associate and to full, and there was a fixed amount of money that went with that.

Ms. Gilliland stated that as part of the base funding every year we build in $125,000 for RTP. The current year we had 28,000 because we had already allocated 90 some

thousand. So it was an annual 125. If it exceeded this in any year, we just adjust it upwards.

Provost Hickey said that this was then a guesstimate of the amount of money that would be needed to pay for promotional increases.

Senator Gerlach then stated that this was mislabeled. It had nothing to do with retention and tenure, but promotion. When he had seen retention, tenure, and promotion, he had had visions of paying people to critique the academic qualifications of the people put forward, paying them fees. But if what we were hearing was to cover promotions, then it had nothing to do with retention and tenure and ought not to be labeled so.

Senator Fenwick continued the discussion by directing attention to the next lines which dealt with fringe benefits. Senator Norfolk asked whether line 46 was an STRS and PERS increase. Given an affirmative answer, he then asked why parking permits were an expenditure of half a million dollars.

Ms. Gilliland stated that the University supplemented the cost of the parking permit. Senator Sterns added that when we erected parking structures and created parking lots, that we had to pay those off; they were fixed fees.

Senator Witt then asked how we arrived at the cost of a parking permit. Ms. Gilliland stated that the parking services was an auxiliary that they looked at each year in operations costs including the debt. They estimated a certain percentage of students buy permits; they started with that and how much they would have to charge and also how many employees we had and the amount of general fund contribution. They were looking at an increase for next year, though, because of new debts.

Senator Erickson the asked about the payroll fringes. Senator Fenwick stated that part of them were going up because of the raise pool. Senator Norfolk added that he had been told it went to STRS and PERS for the staff.

Senator Fenwick pointed to non-personnel operating expenditures - again, this reflected a 10% across-the-board cut in non-academic operating costs.

Senator Sugarman stated she had compared this to the first PBC budget and noticed PBC had taken a number out of VP/CIO of $2,700,000. When the library was added, that amount was about $2,900,000. Could Senator Fenwick explain how that came about, as now the difference between the previous budget's surplus and current one's deficit could be seen.

Senator Fenwick replied that it came from taking libraries from VP/CIO and putting it in an academic unit. So instead of being subject to a 10% cut, libraries were a 5% cut. That roughly made up about $150,000 difference which went from 146 surplus to the current deficit.

Senator Calvo then had a question. Where did the numbers "fiscal 03 original budget" come from? Because those were not fiscal year 03 preliminary scenario budget numbers if we looked at last year at this time.

Amy Gilliland stated that these numbers incorporated budget cuts that we had had. Last year we started this and since then we had had two places of budget cuts. Senator Calvo then stated that he was just doing a quick calculation and it seemed that the non-academic units actually had a higher entry for 03 now than we operated at from last year in our FY03 preliminary scenario. Yet the academic side looked as if they had had a cut, and he wondered whether that was true.

Amy Gilliland replied that she would have to compare. Senator Fenwick added that he did not have the preliminary 03 numbers.

Senator Calvo asked why the non-academic unit actual budget was larger than the preliminary from last year, whereas the academic side was less? Amy Gilliland added that there were a few things last year during the budget process that were in continuing obligations that had since moved into the operating budgets. There was $340,000 for Distance Learning that went to VP/CIO, and there was also about $500,000 for operation of new buildings that was now under the VP for Facilities Planning.

Senator Calvo continued. For instance, when he looked at last year's budget and subtracted out the library from the non-academic units side, he got a number of $12,110,348, which would be equivalent to the subtotal under line 60. Yet the fiscal year 03 that was listed there was almost a million dollars larger than that.

Senator Hoo Fatt then asked how many VP's did we have last year? In this school year she thought there were eight. How many were there with the previous budget, because maybe we just had more. Senator Calvo then counted them out; the total number of VP's was identical between the two documents.

Senator Kahl then asked whether PBC looked at an actual, audited financial statement-full, fair, accurate, timely - like a real business did? Did anybody look at the actual, audited financial statements and then go back and compare them to the budgets and see where the differences were to go forward?

Amy Gilliland stated that she did, but as a group, PBC did not.

Senator Kahl then said that if nobody was looking at this or doing so on PBC and actually comparing the budget with the actual audited financial statements on a timely basis as we went forward from year to year and on an ongoing basis in terms of cash flow expenditures, then this current budget was science fiction.

Senator Gerlach reminded all that at the last Senate meeting, our young Senator Dalton asked a question at one point and then said something to the effect, "Am I being cynical or are we paying more and getting less?" A question the Senator thought was directly pertinent to this section of the budget. He would like to say he thought it was dandy there had been a notable proposal to cut in this area, and why the committee couldn't cut more? He asked because of some historical perspective, and asked whether our student enrollment now was about 24,000?

Provost Hickey replied that it was 24,500.

Senator Gerlach continued. We had eight vice presidents, not to mention how many of them had an associate or an assistant or two. Some years back in his tenure here we had a president with perhaps one administrative assistant who ran a campus with 30,000 students and simply four vice presidents. We certainly did not have a vice president on General Counsel grounds. Why give him a vice presidency? He had always had the impression that vice presidents cost a tremendous amount of money, especially if they had associates and assistants. How did this all come to be, how had we gradually grown this way? We all knew, fellow faculty members, those who were active as well as his fellow retirees, that there always tended to be a movement toward top-heaviness. So he would just suggest that the committee have a look at that. Was there any way they could simplify this? Obviously, we did need things like a Senior VP and Provost, no question about that. We used to have a Dean of Student Affairs, and so on. Somewhat tongue-in-cheek, Senator Gerlach reminded all that some things might be done a little bit differently. He congratulated the movement to do this cutting. It was, as he guessed, out of necessity, but maybe necessity ought to lead us to do more.

Senator Covrig then asked whether this was non-personnel expenditures, separate from salary-related costs?

Senator Kahl then added that he would like to see another column here for the actual, audited financial statement of what was actually spent. Until we had that, he did not know what was going on here. That was a good point about the budget last year and this year and how it changed. But, unless we knew where that money actually went on an audited basis, we had no basis for sitting here spouting off about this should be cut or that should cut, or this needed to be raised or that needed to be raised. We ought to have some simple, basic facts before we go off cutting and hacking, and we did not have those.

Senator Harp then asked when that information might be available. There had to be some sort of cutoff day like Jan. 1, because we could not see this audited now until next year. So it would have to be, by definition, information that was a full year old.

Senator Kahl then stated that shortly after the year was concluded, there should be financial statements - full, fair, accurate and timely. We did not wait for a year, as our year closed June 30. There should be cash flow information on an ongoing basis available for

PBC to look at, and shortly after June 30 there should be financial statements available for that fiscal year. We did not wait for corporations to have financial statements available for 9 months or 10 months. They should be available within a short period of time, and to see what happened and whether this was fiction or fact. But right now all we had was a series of fiction novels. Again, to ask Senate to make recommendations on what to cut or not to cut was ludicrous because we did not know.

Senator Covrig stated it was not fiction. It was estimates and was probably pretty close. To characterize this as not scientific seemed to be overstepping the budgetary process, so he found somewhat ludicrous some of these comments.

Senator Norfolk pointed out that the major change - where the extra million was - was under line 56. The proposed number under line 56 was originally 5.7 million. Now on last year's proposed budget there was a separate line item for the exchange server and several other line items that he suspected got folded into here. Amy Gilliland replied that that was correct.

Senator Norfolk continued. So, individual line items got folded back in and that was hard. Most of the other lines were actually reduced from the proposed budget with the exception of line 55 which was up by 18,000. Human Resources was down, pretty much all the other lines were down except for lines 59 and 60. But the major changes were in line 56.

Questions then arose regarding the figures presented. Provost Hickey stated that what was presented was FY02-03; what we had audited statements on were FY01-02. Comparisons of the operating budget of a unit in FY01-02 with the audited financial statements for that year could be made.

Senator Sugarman then stated that we were eight months into this fiscal year. Were the projections for the remaining four years available? To which Ms. Gilliland replied that they were. Senator Sugarman continued that these figures could have been presented. That was, rather than an audited financial statement, a projected financial statement could have been made which might be more helpful. If she was right, this was what was adopted as the 03 budget from the Board of Trustees and projections could be obtained if they were needed.

Ms. Gilliland stated that this was the budget approved by the Board of Trustees. But since it had been approved, people had made permanent budget reductions. We anticipated the $2.2 million budget reductions would come from personnel as opposed to operating or vice versa. It had changed slightly because of budget cuts and people moving money around. It changed on a daily basis, but this was the budget.

Senator Sterns stated that typically, in corporate finance you would carry both columns- the original budget, the current budget and the projection. Every business in the

world monitored their budget as they moved through the year, and then you looked to see whether you were going to make budget by the end of the year. That was standard accounting practice.

Senator Erickson then asked about Russ Sibert, who was VP for the Board. Money for Secretary for the Board came out of the general fund, correct, and where was that in the budget?

To which Senator Calvo then asked whether there was not another vice president to secretary of the Board of Trustees. Amy Gilliland stated that the operating expenses were included in line 55 under VP and General Counsel which also included the operating expenses for the Board of Trustees office. Senator Calvo then asked whether there were, then, two vice presidents under VP and General Counsel, and he was told that that was correct.

Provost Hickey then added that the vice president in question was not reflected here. This was the administrative structure of the University. This under discussion now was the administrative structure of the Board office, so the personnel of the Board office were not reflected here. Amy Gilliland stated they were not in this line, but the salary was reflected in the contact professional line. Provost Hickey added that the operating budget for that vice president's office and the operating budget for the Board office was imbedded in the operating budget of the VP and General Counsel.

Senator Calvo asked, when we cut $22,000, whom did we cut it out of? Senator Norfolk replied that it was student assistants, the student assistants who manned the desk at General Counsel's office.

Senator Kahl stated that it might be a little late this year to do this, but since the fiscal year ended June 30 we should have audited financial statements before this body met in the fall and should be able to do a comparison of the proposed budget, the actual budget, and the audited financial statement for 02-03 come fall. Then we could see where those deviations were. We would be able to ask reasonable questions about what ought to be cut if something had to be cut and how accurate these numbers ended up being. We would have some idea of what was going on rather than not having a clue. Until we knew where the actual dollars were actually spent, we did not know how accurate this was or on what basis we were making these changes.

Amy Gilliland pointed out that the fiscal year did not actually close until late July or early August, and the audit was then conducted. We did not get final audit statements until November, and it then took a month roughly to close the books. We could have year-end statements, but they would not be audited.

Senator Erickson then stated that at some future meeting, we should ask for this kind of change, as reflected in Senator Sterns' motion. Then we should move on.

Senator Kreidler added that she was a new member of PBC and just wanted to say that there needed to be some feeling of what PBC did. There was the feeling that PBC was not appreciated. Being on PBC was grueling; she could tell everyone that; anybody who had been on it knew that. PBC could take suggestions to say maybe there was a better way to look at it next time. She just wanted to speak for the committee that they were doing the best they could. Amy Gilliland had been there for PBC and we were asking the same questions of her each week that Senators were asking now.

Senator Pinheiro replied that we were not doubting what type of work the PBC had done; Senate applauded that situation and that PBC had done an excellent job. But he thought that Senator Kahl had made a comment that to make this process better we needed to do certain things that should be brought to the notice of the body. Again, Senate really appreciated the time and effort that all on PBC had put into this.

Senator Sterns added that he agreed the committee had done an outstanding job. But the questions that were being asked were no different than any asked of any United Way or social service agency in terms of how its budget was expended and how it was used. So these questions were not unusual.

Senator Broadway then asked Senator Calvo what document he was referring to, and Senator Calvo replied that it was the budget passed by Senate last year. Senator Broadway asked whether that was the same as recommended to the President by Faculty Senate. Senator Calvo replied that that was correct. Senator Broadway then asked whether there were a difference between that budget and the budget that was approved by the Board of Trustees. Did this FY03 reflect the budget as approved by the Board of Trustees which did have the right and privilege to modify the recommendations of Faculty Senate, or were these numbers representative of something else?

Senator Covrig stated that it seemed that Faculty Senate could just make a motion to add in future budget discussions a column that would be the most current actual budget, or the audited budget. There should be a motion that in the future budget discussions, there would be added to the spreadsheet the most recent actual budget column.

Chair Sheffer then asked whether the Senator wanted to act on this now or have it referred to PBC. Senator Gerlach asked, that when the Senate had finished its work on the budget and it went forward to the President, whether we could ask the President for the final disposition. So the Senate would then be apprised whether there had been any changes made in it by administration or the Trustees.

Chair Sheffer added that, other than the Board-approved minutes which were available, we did not have that information.

Provost Hickey added that perhaps what the Senate wanted was one column that said the budget that the Senate recommended to the President, and the next column would indicate a budget that passed the Board of Trustees with an explanation of any differences between those budgets. Then there would be subsequent columns for every time there was a budget cut to show what changes occurred in each of those. That gave a history of the budget from the start to finish.

Senator Sugarman stated that she would like to make a motion that PBC consider looking into adding other columns to future budgets.

Senator Sehn stated that he was still not sure what fiscal year 03 was. Either it was the final Board-approved budget from last year for FY03, or was it that budget adjusted by budget cuts since that time?

Amy Gilliland stated it was the second case; it was adjusted by budget cuts. The budget that was approved had a $2.2 million deficit in one line, and it had since been allocated to lines wherever budget cuts had appeared.

Senator Sehn stated that there had been budget cuts throughout the year also, and those were not reflected. Amy Gilliland replied that those were one-time funds and would not be reflected.

Senator John then added a point of clarification. One of the spreadsheets we had said it was FY03 budget, and he thought it should not have the word original in it. Senator Fenwick replied that this was correct.

Senator Harp then stated he wanted to offer thanks to the PBC committee. However, there was an issue he needed to raise related to the structure of our collective assumptions. A year ago Senate passed an ROI and one-half of it was supposed to be implemented at 10, 20, 30, 40, 50. Then we learned because of quality measures that we were not going to allocate it except halfway for this fiscal year and that that halfway implementation would come with no harm done to units that were below the ROI. What we were looking at today was across-the-board cuts that affected all institutions whether or not they were raising revenue. He was arguing as a member of the University community that we were at this moment cutting part-time faculty who would be teaching 20 students in the fall, meaning that the total revenue to the University would be less. Basically, total revenue to the University would decline because we did across-the-board cuts in our budgets. Senate had passed it; the Board had passed it. He personally felt another 5%, half of the half, so the 10% that should have been in last year should have been written into the budget from the beginning rather than as an add-on later if there was additional money. The other way of doing that was to look at ROI numbers and cut in proportion to whether a unit was above or below 1.7%. He did not say that because he had some desire to attack another part of the University, but this was looking at cutting revenue from the University, as well as student access to courses. The chair for the english

department was at this moment cutting sections. That meant our students would not progress through the program, and if our objective was to keep them here as long as possible and wring as much out of them as we could, maybe that was the way to go about it. But he did not think that was our objective. It was difficult to explain why he as a Senator would approve of a situation which was basically hurting students and hurting the University by cutting revenue.

Senator Gunn stated she agreed with Senator Harp. She did not see how cuts to top ROI generators could continue and have them still keep money coming into the University. There had to be something proportional done.

Senator Witt added that one of the end results of the policy was that we added more students to the class. Senator Gunn then stated that there was a point where you could not do that; you simply did not have the class. Senator Witt then added that this is what had happened over the last few years, that we were offering fewer sections and they were larger. At some point the procedures we had in place would continue. There was a point of diminishing return at some point, and we would eventually have to make hard decisions.

Senator Erickson then asked why PBC had done it this way. Senator Fenwick replied that there were a number of reasons. First, politically, we might never have reached a budget from the committee since you had representatives from schools who were not of the mind set of the ROI and spoke every week about how harmful it was going to be if we followed ROI. They did not think they should do anything on ROI until the quality measures were in place. Another reason was given the President's statement about not wanting to redistribute resources until all of the quality measures of ROI were in. So PBC had done this for political reasons with the possibility of ROI distributions.

Senator Norfolk then stated that he knew the standard complaint of his dean and he was going to speak as an Arts & Sciences Senator again. The operating budget was historical; you got what you got last year plus or minus some percentage depending on whether we got cuts or not. That was the way it had been for 20 years.

The Senator then pointed to lines 62 and 63. Line 62 reflected the operating budget for 220 full-time faculty, 1.5 million. Line 63 reflected an operating budget for less than 70 full-time faculty. Those lines were almost the same size. Was it honestly that business faculty required approximately three times the investment outside of salary to keep them going?

Senator Harp then stated he had to disagree with Senator Norfolk. That was not the kind of discussion he wanted to have. He wanted to focus on the University's interest and of revenue generation. We had to generate revenue and if we did not, we were hurting the University. Revenue represented kids, kids who were beating down doors trying to get classes. The mission of the University was to teach students. We could not offer the classes

because we did not have the money to hire instructors. Kids were held up in their programs. That was a University concern; we all lost. The purpose of ROI was to focus on the University. His impression was that deans agreed with it at the point where it was in the talking stages as a principle. But after that point when it started looking like an impact on budgets, then all of a sudden people turned and ran the other way. That was a problem because students that we were supposed to be serving were not going to be served properly.

Senator Kahl then stated that the PBC people could correct him if he was wrong, but he thought line 63 included $1,188,000 that was on line 21 - 100,000 roughly of that was used for student scholarships and we paid 1.7 on scholarship money. Does the math department do this? Senator Norfolk replied that they did. Senator Kahl then added that he thought the difference between those two lines represented bad accounting.

Senator J.Yoder then asked whether PBC could provide two alternatives - one, the current, and second, to work up the numbers that would yield a 5% cut here but distribute it using ROI. Then we could debate based on what those two projections would look like.

Senator Kreidler stated she wished to respond to Senator J. Yoder. Was there another way to do what she had proposed without starting totally over? Senators were aware of how important ROI was in the application, so what would the recommendation be to PBC to either look at or change? PBC was meeting next week to talk about the ROI and what we were going to do with that.

Senator Harp stated that there could be four categories basically pegged around the break-even point of the ROI. If a unit was at 1.1 or really low they took a 2% cut. The next unit up would be just below ROI and they would take 7.5. The next unit up from that at the break-even point would be the 5% that was laid out, and the next would be a 2.5 and above a certain level. That was a very inexact way; it would be better to peg it with multiple credations as Senator Yoder was suggesting, but something that was not across-the-board cuts. Additional resources over this could then be distributed across the board.

Senator Kriedler then stated that, as a member of a professional school, one of the problems was that within ten years there would not be a college. There was no way to use the ROI when a unit came in at 1.1 versus the mandatory 1.7. So therefore we were going to keep getting knocked off 10% each year and eventually we would not be here.

Senator Fenwick stated that PBC could take Senator Yoder's recommendation to look at ROI. He did not think we should plug in a formula right now, as there were other lines in this budget we needed to look at.

Senator Steiner then asked on what basis this was done. He had heard it stated that at some point there were 5% cuts on the academic side, and unless he was miscalculating

something, it was not coming out to 5%. If it was not across the board for different units, this subtotal was not 5% of the 10 million.

Senator Fenwick replied that all of those lines (in red) should reflect 5% cuts. Provost Hickey replied that lines 62 and 68 would not reflect that because there were two positive numbers in Arts & Sciences and Fine & Applied Arts. Senator Fenwick added that that was the result of full-time positions that had been partly cannibalized in the operating budgets after we took the 5% out and then put it back in.

Senator Gunn stated that this was non-personnel expenditures, and to open other classes you had to have part-time personnel lines. So this was not going to solve that problem.

Senator Kahl stated that, yes, line 63 included a whole lot of personnel. It might not be others but line 63 included personnel expenses. Faculty - full-time, tenure-track faculty lines in 63 - that $1,100,000 that was on the IT budget included a substantial amount of money for full-time, tenure-track faculty. If there were to be ROI cuts, he knew it suited politics of some people, but do not play with funny numbers. We would be cutting our own throats. The business administration budget should be broken down with the IGB things and then break down Arts & Sciences on a similar basis with similar accounts so that the people who wanted to do the cuts would not cut their own throats by cutting the business administration budget.

Amy Gilliland stated she agreed and apologized for saying this was non-personnel. The IGB, Institute for Global Business, was a state line item and we budgeted that full amount in the College of Business Administration. Once the budget was implemented, part of that (700,000) was salaries and fringes of that dollar amount.

Senator Kahl stated that he had heard that Arts & Sciences had the same operating budget - how much of Arts & Sciences 1.5 million was personnel expenditures comparable to that 700,000? Senator Norfolk stated probably none. Senator Harp then said that we were getting cuts on our part-time faculty budget because the part-time faculty budget overall was actually increased. Senator Kahl asked how much of line 62 was personnel, and Senator Norfolk added that as far as he knew, none. Senator Kahl then stated that more than half of line 63 was personnel, so the operating budget for a faculty member in the College of Business was not comparable between 62 and 63. This was comparing not just apples and oranges, but apples and snails.

Provost Hickey then stated that the calculation desired was taking all of the operating budgets for each college with all personnel costs back out of it divided by the number of faculty in that college. That would give a normalized operating budget per faculty member for each college and that would allow a snail-to-slug comparison, if nothing else.

Senator Norfolk stated that his argument would then be reversed. It would still be more or less the same, because we were talking about cutting full-time personnel which was not being done in any other college.

The discussion moved forward. Senator Fenwick stated the Senators' comments would be taken back to PBC. He then addressed the scholarship changes which reflected 9.9% tuition increases. Senator Erickson then asked what the course fees were, and Provost Hickey replied that it represented in effect an expenditure because the funds came in as a course fee and then they were disbursed to the units who got course fees.

Senator J. Yoder then offered a recommendation for line 72, which was the undergraduate scholarships. Her recommendation was that that be augmented by a half million dollars and that a half million dollars be taken out of line 95, which was the increase in legal fees.

It was pointed out that at the last Senate meeting, outside counsel's costs had gone up 25%, a reason in part why that line in the budget had gone up so much. Yet we, as faculty were being paid 3%, giving 25% more to outside counsel.

Provost Hickey stated that we did not have a choice. The fees were set in Columbus for the outside counsel. In fact, they had just changed. With the change in the administration in the AG's office, they had just changed the law firms we could use. They set the fees and those fees went up 25%. We either paid it or we did not hire an attorney.

Senator Kahl offered that an alternative to paying the attorneys was to lose a case and if we lost a case, he did not know who paid but someone did.

Senator Erickson then asked whether the information on tech fee was the same thing that supposedly has revenue against it. Senator Fenwick replied that it was. Amy Gilliland stated that the information tech fee was fee the students paid on line 11 and that related to line 90. There was also a tech fund which was in another line.

Senator Erickson then asked whether the utilities was the increase in cost to the server. This question was answered affirmatively. Senator Fenwick added that because we had had a cold winter, the utility fees were going up as well.

Senator Norfolk stated that line 94 was indirect cost redistribution on grant monies. So we were assuming the same grant activity next year as this year as a base?

Provost Hickey stated he thought that was right; they used the previous year as a base. If there was more money earned, it was allocated and the base went up for the coming year.

Senator Erickson asked about the campus budget reserve as a requirement. Senator Fenwick replied that this was not a requirement, but it was fiscally sound to have 5%. Provost Hickey added that we were mandated to increase the reserve because of the lack of the deregistration, the number of students who never ended up paying us. So we were mandated to increase that debt allowance. Senator Erickson then stated that that had been changed; we now had the dump, to which Provost Hickey replied that we did not. Senator Erickson then asked whether students would be allowed to do the same thing again.

Provost Hickey replied that there were more controls now in terms of not letting them re-register if they had a balance of over $400. So those students who owed us several thousand dollars and had not paid could no longer register at the institution. But students who did register and had a balance of less than $400 or no balance at all who registered and then did not pay us, that resulted in bad debt. The bad debt right now was such that we were required by the auditors to increase the amount of reserve for bad debts. There was about to begin a discussion about reinstituting the deregistration, but it had not happened yet.

Senator John then had a question about line 109, and whether this was an upgrade that had to be done? Senator Fenwick indicated that it was.

Senator Steiner asked whether we had information on exactly what the breakdown was for that 1.5 million for the Peoplesoft upgrade. He knew for sure it was not for the actual software itself; his understanding was that we had already paid for that.

Provost Hickey replied that the 1.5 million was nowhere near what the request was. His understanding was that the bulk of this was for equipment upgrades that would be needed. He urged Senate, or PBC, or CCTC to address that question to Dr. Gaylord who was much more prepared to address it than he was.

Chair Sheffer then stated that it was his understanding that it was actually something in the order of $6 million. The University had asked to spread it out over three years so we were not getting hit this one year with a $6 million debt that required us to find another 4.5 million somewhere. Senator Fenwick then added that a long iteration of the budget early on did have a $6 million line for this. We had wanted to phase it in over three years which would be 2 million, and then we had cut the 2.1 back to 1.5 million.

Provost Hickey added that to do this we were basically financing the debt. That was the only way to do it, because Peoplesoft or whomever we were buying the equipment from was not going to wait four years for their payment. So a loan was required to do it this way.

Senator John asked about line 111. The University had cut our advertising by half a million. Any idea what result that would have on our campus? We were just now getting back into advertising, saying we were out here, to come see us, and now we were cutting it. He knew it was a hard thing to speculate but questioned the impact. He continued, asking

also about line 112, the technology fund, and whether that was the faculty-oriented technology fund for faculty? Senator Steiner also asked whether that was the $500 per faculty member for equipment that came out of the general fund. Both questions were answered affirmatively.

Senator Covrig, referring to the budget assumptions that we started here and the additional support for Rubber Bowl and athletic operating, did not see athletic operating. Senator Norfolk pointed out that that was previously listed as lines 8 and 9. Senator Covrig continued by asking how good this assumption was, and whether it could become a problem? Was this likely to be something that became a problem? There was an assumption that we could reject the request for additional support for the student union, Rubber Bowl, and athletic operating. Senator Fenwick replied that all of the cuts might create problems later. Provost Hickey added that he felt it likely to be very problematic for all three of those entities.

Chair Sheffer then stated that this was part of why PBC had wanted information to come back from the various vice presidents, for them to say that once they had seen these changes, what the potential impact would be.

Provost Hickey replied that the committee had gotten information from all vice presidents. Senator Fenwick interjected that they had not gotten information from all. Provost Hickey added that information had been obtained from most of the vice presidents. With regard to the impact, his sense was that the information that came back from the academic colleges was not any more specific than the information that came back from the other units. Senator Fenwick replied that this was correct.

Senator Erickson stated that her point earlier and again now was about taking the time on the budget and not having to rush. This gave people a chance to give feedback. If it had not been done before in enough detail, now they could come and ask and we could evaluate the budget.

Provost Hickey replied that he thought the issue dealt with the kinds of cuts we were talking about. It would most likely effect people and even programs. There was a reluctance to speculate as to which people and which programs for fear that that would immediately create undue concern among a lot of individuals.

Senator Covrig asked whether he could address the Provost. It stated in the PBC assumptions that here were the reductions to requested additional support. Did the Provost know roughly how much support was being requested?

Amy Gilliland offered that it was 700,000 for the student union; $82,000 for the Rubber Bowl; and athletics came in at 1.5 million. Provost Hickey then stated that one of the reasons why athletics was problematic was that a good part of that money was associated with scholarships. These scholarships were for students to meet our Title IX or to move toward

our Title IX expectations. So not having those scholarships would create a significant problem in fulfilling Title IX obligations.

Senator Kreidler stated again that the PBC had tried very hard to look at not impacting on academic programs and students within those academic programs, saying, if we had to cut, this was where the cuts were going to have to come. Then if we ran into the big problems, we would look at them.

Senator Fenwick then added that in the discussion of the athletics budget there was discussion that they had overspent their budget and were making a request. Our refusing to give them more money was based on the fact that if any other unit had overspent their budget we would not reward them by increasing their budget.

Provost Hickey stated that the reason they had overspent their budget was because they really did not know the total cost of scholarships until they actually awarded them. If they awarded a scholarship to an in-state student it was one amount of money. If they awarded a scholarship to an out-of-state student, it was twice plus the amount of money. So it was not that athletics was being reckless with their budget; it was that athletics really could not accurately predict what their scholarship costs were going to be until they actually recruited the student-athletes for that year. There were discussions in PBC about giving them a fixed amount of money and saying they had to live within that and had to adjust recruiting accordingly.

Senator Fenwick stated that he did not mean to imply that athletics was reckless with their budget.

Senator Harp said that about a month ago, the University chairs met with Vice President Ray. One of the questions that was raised was not about the total athletic program but about the football program. Because of the incredible cost of Title IX implications, the argument was raised that we could not get out of that monsoon. As a member of the Athletics Committee, it was pointed out that we were encumbered year by year. Another person brought up something that made sense. We were in a time of budget cuts statewide. The President was doing a wonderful job of pointing out the role of higher education to the state. In terms of public attention, one of the things we could put on the table to say that we were hurting was the football program. The argument that we got back was that Kent had football, therefore we needed football. He did not honestly believe that football was helping us recruit that many students. It was not that he did not like football. It was that we were at a point where we could not hire people to do english comp. sections to get students through the program. Therefore, football might be a luxury. Soccer might not be a luxury because it was not so expensive.

Senator Schmith added that one of the problems with the Senator's thinking was that if

we got rid of football, then we had eliminated all the other sports in the MAC Conference. We could not operate as an independent.

Provost Hickey replied that we would have to go to another conference and probably to a Division II. To which Senator Harp replied that that would be much less costly. Senator Kreidler stated that that was why PBC had done this.

Senator Steiner then asked for the amount that the student union was requesting and what it was to be used for? Provost Hickey replied that it was in effect a bridge loan. For a lot of the activities, auxiliaries that helped to subsidize the operating expenses of the student union, space for them would not be completed until phase II was completed. So the food services, etc., that contributed to the overhead of the student center were not there to contribute for another year or two. So this in effect was a bridge loan to let the student center operate over that period of time. The hope was that the amount of this bridge loan would decrease as other revenue-generating operations within the student center came along.

Senator Steiner asked how the Student Center was going to make it without that money, and Provost Hickey replied that they would not be able to. Senator Broadway added that based on these statements, the assumption was that in the near future the line for the student center would be zero. The $800,000 for FY03 was supposed to be a one-year dip into the general fund. So now it appeared in FY04, and it seemed that it was going to be a continuing charge against the general budget if we continued this particular trend. Was the assumption that line 115 in the near future would go to zero in FY05 or whenever the student center was up and running?

Provost Hickey replied that he did not think that assumption could be made, because he did not know what the total revenues would be when the student union was built completely relative to the total expenditures. So he could not assure Senators that that line was going to go to zero.

Senator Erickson then stated that before the Senate adjourned, she would like to make a motion that **the Senate thank the PBC for the tremendous amount of hard work they put into the budget.**

Chair Sheffer called for a vote of the motion. The Senate approved this motion.

Senator Fenwick asked Senators who had recommendations and/or comments to send them to PBC via the Senate listserve.

Chair Sheffer then called for a motion to adjourn. This was made and seconded. The meeting adjourned at 5:12 p.m.

Transcript prepared by Marilyn Quillin

APPENDIX A

Motion: We, the Faculty Senate, reaffirm our commitment to academic freedom and the right and responsibility of faculty to provide any and all learning opportunities for students that promote cognitive, social, and personal development as outlined in our mission statement 3359-20-01 (A) (1).

Rationale: Obviously the timing of this statement is in response to the recent debate about the legitimacy of using war protests as a forum for student learning. Issuing this statement at this time, which only re-affirms what we already have established as university policy, is meant to help the administration legitimate what some faculty may choose to do and to remind faculty that, along with the right to determine the content of our classes, comes a responsibility to connect what we do to learning. No one is suggesting that faculty can cancel classes without reason. Rather, it is common to capitalize on current events to promote learning.

3359-20-01 Institutional mission and goals, affirmative action statement.

The following statement represents the board mission and goals adopted by the board of trustees and under which the university is currently operating.

(A) Mission.

(1) The university of Akron maintains a commitment to:

(a) Provide learning opportunities for the full spectrum of students;

(b) Create and discover knowledge through basic and applied research and creative activity;

(c) Create a learning environment with emphasis on a full collegiate experience for each student, leading to opportunities for cognitive, social, and personal development;

(d) Provide a forum for the examination of ideas and concepts and the generation of scholarly dialogue within the established principles of academic freedom;

(e) Encourage opportunities for interdisciplinary study and research;

(f) Strive for continued improvement of the teaching and learning environment;

(g) Prepare career oriented people for professional leadership roles in regional, national, and international organizations and institutions; and

(h) Offer appropriate educational and professional services to its various constituencies within available resources and established continuing education and outreach philosophies.

APPENDIX B

FY04 BUDGET ASSUMPTIONS

- **9.9% TUITION INCREASE**
- **STATE SHARE OF INSTRUCTION FLAT WITH CURRENT YEAR ANTICIPATED 2.5% REDUCED LEVEL**
-
- **3% RAISE POOL**
- **$1MILLION PLUS FRINGES TO CONTINUE TO ADDRESS FACULTY EQUITY/COMPRESSION**
- **EMPLOYEE CONTRIBUTION TO COVER INCREASED GROUP INSURANCE COSTS ($1.9M)**
- **5% REDUCTION IN ACADEMIC OPERATING BUDGETS**
- **10% REDUCTION IN NON-ACADEMIC OPERATING BUDGETS**
- **$1.5 MILLION PEOPLESOFT V8 UPGRADE**
- **50% REDUCTION OF UNIVERSITY ADVERTISING EXPENSES**
- **INCREASE IN CAMPUS CONTINGUENCY TO $1 MILLION**
- **INCREASE IN BUDGETED SCHOLARSHIPS TO REFLECT 9.9% INCREASE IN TUITION**
- **REJECTION OF REQUESTED ADDITIONAL SUPPORT TO THE STUDENT UNION, RUBBER BOWL AND ATHLETIC OPERATING**

The University of Akron
Office of Resource Analysis and Budget
FY03-04 Preliminary Budget Scenarios

		FY03 Original Budget	FY04 Proposed Budget (PBC)	Difference from FY03 Budget	Comments:
	REVENUE				
	Tuition & Fees:				
	Instructional Fees:				
1	Undergraduate	$ 86,885,600	$ 94,941,600	$ 8,056,000	9.9% increase in rates
2	Graduate	18,912,900	20,162,500	1,249,600	9.9% increase in rates
3	Law	4,350,500	4,766,800	416,300	9.9% increase in rates
4	Non-Resident Surcharge	7,495,515	8,238,200	742,685	9.9% increase in rates
	Total Instructional Fees	$ 117,644,515	$ 128,109,100	$ 10,464,585	
	General Fee:				
5	Undergraduate	8,808,400	9,554,900	746,500	9.9% increase in rates
6	Graduate	677,400	729,000	51,600	9.9% increase in rates
7	Law	130,100	142,100	12,000	9.9% increase in rates
	Subtotal General Fees	9,615,900	10,426,000	810,100	
8	Support to Athletics-Scholarships	(3,703,500)	(4,070,100)	(366,600)	9.9% increase in rates
9	Support To Athletics-Operating	(4,617,100)	(4,487,575)	129,525	Implementation of FY03 reduction
	Net Total General Fee	$ 1,295,300	$ 1,868,325	$ 573,025	
10	Course Fees	1,476,823	1,700,000	223,177	Reflects actual receipts for FY03
11	Information Technology Fee	4,420,798	4,972,411	551,613	6% increase in rates
12	Engineering Infrastructure Fee	217,446	230,493	13,047	6% increase in rates
13	Developmental Support Fee	38,609	40,926	2,317	6% increase in rates
14	Career Advandage Fee	564,736	598,620	33,884	6% increase in rates
15	Facilities Fee	4,171,974	4,714,331	542,357	1.9% increase
16	Continuing Education	980,502	980,502	-	
17	Miscellaneous Fees	1,860,000	1,460,000	(400,000)	More reflective of actual receipts
	Subtotal	13,730,888	14,697,283	966,395	
	Total Tuition & Fees	$ 132,670,703	$ 144,674,708	$ 12,004,005	
	State Appropriation:				
18	State Share of Instruction	$ 86,735,219	$ 83,943,488	$ (2,791,731)	Anticipated SSI (w/ 2.5% reduction)
19	Access Challenge	543,389	529,804	(13,585)	Anticipated SSI (w/ 2.5% reduction)
20	Success Challenge	2,936,129	2,862,726	(73,403)	Anticipated SSI (w/ 2.5% reduction)
21	International Business Program	1,145,638	1,088,356	(57,282)	Anticipated SSI (w/ 2.5% reduction)
	Total State Appropriation	$ 91,360,375	$ 88,424,374	$ (2,936,001)	
22	Endowment	300,000	200,000	(100,000)	
	Other:				
23	Departmental Sales & Service	5,797,155	5,797,155	-	
24	Investments	3,000,000	1,500,000	(1,500,000)	More reflective of actual receipts
25	Indir. Cost: Grants & Contracts	3,495,000	3,495,000	-	
26	Student Aid Program	1,000,000	1,000,000	-	
27	Miscellaneous	50,000	50,000	-	
	Total Other	13,342,155	11,842,155	(1,500,000)	
	TOTAL REVENUE	$ 237,673,233	$ 245,141,237	$ 7,468,004	
28	**Transfer-in - Capital Component**	$ 2,032,843	$ 2,032,843	$ -	
	TOTAL RESOURCES	$ 239,706,076	$ 247,174,080	$ 7,468,004	

The University of Akron
Office of Resource Analysis and Budget
FY03-04 Preliminary Budget Scenarios

		FY03 Original Budget	FY04 Proposed Budget (PBC)	Difference from FY03 Budget	Comments:
	EXPENDITURES:				
	COMPENSATION				
	Payroll:				
29	Full-Time Faculty	$ 49,414,375	$ 51,054,012	$ 1,639,637	Includes $1m for Equity/compression
30	Full-Time Contract Professionals	15,657,557	15,893,837	236,280	
31	Full-Time Staff	27,689,379	27,412,887	(276,492)	
32	Dept'l Sales & Svcs.-Full-time	1,175,546	1,175,546	-	
33	Vacant Positions	6,126,046	3,027,955	(3,098,091)	Reduced by $2.7m - eliminate non-active searche:
34	Time Release positions	140,579	300,000	159,421	
35	Stipends - Regular	170,000	170,000	-	
	Subtotal Full Time	$ 100,373,482	$ 99,034,237	$ (1,339,245)	
	PT Compensation				
36	PT Faculty	5,746,629	5,856,629	110,000	From FT Position Conversion
37	Summer Faculty	6,818,358	6,841,467	23,109	From FT Position Conversion
38	PT Staff	1,136,229	1,136,229	-	
39	Overtime Staff	471,300	424,300	(47,000)	
40	Departmental Sales-PT Comp	946,327	946,327	-	
	Subtotal	$ 15,118,843	$ 15,204,952	$ 86,109	
41	Graduate Assistant Stipends-VP Research	$ 7,886,239	$ 7,800,239	$ (86,000)	
42	GA Stipends - Supplemental Funding	175,607	175,607	-	
43	D/S Graduate Assistant Stipends	58,848	58,848	-	
44	Retention, Promotions & Tenure	28,000	125,000	97,000	
45	Salary Raise Pool	-	3,056,337	3,056,337	Reflects 3% merit raise pool
	Subtotal	$ 8,148,694	$ 11,216,031	3,067,337	
	Total Payroll	$ 123,641,019	$ 125,455,220	$ 1,814,201	
	Fringe Benefits:				
46	Payroll-related Fringes	$ 16,892,405	$ 17,829,577	$ 937,172	
47	Group Insurance	11,269,431	11,369,431	100,000	Reflects employee pick-up of $1.9m of $2m incre:
48	Parking Permits	500,000	500,000	-	
49	Fee Remissions:	2,712,223	3,590,733	878,510	
50	Dept'l Sales & Services	661,784	661,784	-	
	Total Fringe Benefits	$ 32,035,843	$ 33,951,525	$ 1,915,682	
	TOTAL COMPENSATION	$ 155,676,862	$ 159,406,745	$ 3,729,883	

The University of Akron
Office of Resource Analysis and Budget
FY03-04 Preliminary Budget Scenarios

		FY03 Original Budget	FY04 Proposed Budget (PBC)	Difference from FY03 Budget	Comments:
	NON-PERSONNEL COSTS (OPERATING)				
	Departmental Operating:				
	Non-Academic Units				
51	Office of the President	$ 274,647	$ 247,182	$ (27,465)	10% reduction
52	VP Capital Planning/Facilities Mgt	2,015,660	1,814,094	(201,566)	10% reduction
53	VP Business & Finance	460,998	414,898	(46,100)	10% reduction
54	VP Student Affairs	1,429,935	1,281,636	(148,299)	10% reduction
55	VP & General Counsel	225,050	202,545	(22,505)	10% reduction
56	VP/CIO Info & Instr Tech	6,703,182	6,032,864	(670,318)	10% reduction
57	Human Resources	81,736	73,562	(8,174)	10% reduction
58	VP Public Affairs & Development	1,041,868	937,681	(104,187)	10% reduction
59	VP Research & Dean Grad School	350,760	315,684	(35,076)	10% reduction
60	Senior VP & Provost	521,275	469,148	(52,127)	10% reduction
	Subtotal	$ 13,105,111	$ 11,789,294	$ (1,315,817)	
	Academic Units (plus ROI distributions)				
61	University College	$ 343,599	$ 328,114	$ (15,485)	5% reduction plus $1,695 from FT conversion
62	Arts & Science	1,564,921	1,636,675	71,754	5% reduction plus $150k from FT conversion
63	Business Administration	1,330,737	1,264,200	(66,537)	5% reduction
64	CBA Graduate Tuition Differential	200,000	190,000	(10,000)	5% reduction
65	Community & Technical	447,369	425,001	(22,368)	5% reduction
66	Education	401,986	381,887	(20,099)	5% reduction
67	Engineering	625,920	594,624	(31,296)	5% reduction
68	Fine & Applied Arts	838,500	860,923	22,423	5% reduction plus $64,348 from FT conversion
69	Law Operating and Library	954,740	907,003	(47,737)	5% reduction
70	Nursing	334,725	317,989	(16,736)	5% reduction
71	Polymer Science & Polymer Eng.	406,800	386,460	(20,340)	5% reduction
71.5	University Libraries	3,086,335	2,932,018	(154,317)	5% reduction
	Subtotal	$ 10,535,632	$ 10,224,894	$ (310,738)	
	Total Departmental Operating	$ 23,640,743	$ 22,014,188	$ (1,626,555)	
	Continuing Obligations				
	Academic:				
72	Scholarships - Undergraduate	$ 3,880,682	$ 4,104,447	$ 223,765	9.9% increase less $186,900
73	Scholarships - Graduate Assistants	14,018,253	14,817,300	799,047	9.9% increase less $588,760
74	Scholarships - Law	1,074,000	1,135,216	61,216	9.9% increase less $45,110
75	SEOG Matching Funds	224,000	224,000	-	
76	Brennan Chair Match	44,550	45,000	450	
77	Course Fees	1,476,823	1,700,000	223,177	
78	Engineering Infrastructure Fee	217,446	230,493	13,047	
79	Developmental Support Fee	38,609	40,926	2,317	
80	Off-Campus Credit Course Setaside	985,696	783,280	(202,416)	Adjusted for 9.9% increase in tuition & fees
81	Allied Health Services & Hospital Fees	167,300	167,300	-	
82	Carnegie Teaching Academy	250,000	250,000	-	
83	Research Initiative	1,500,000	1,500,000	-	
	Subtotal Academic	$ 23,877,359	$ 24,997,962	$ 1,120,603	

The University of Akron
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		FY03 Original Budget	FY04 Proposed Budget (PBC)	Difference from FY03 Budget	Comments:
	Other Academic/Institutional Support:				
84	College Work Study Program Matching Funds	$ 336,000	$ 336,000	$ -	
85	Student Extracurric. Activities	532,700	532,700	-	
86	SEVIS Compliance	-	40,000	40,000	
87	Commencement	215,000	200,000	(15,000)	
88	Upward Bound Add'l STEP Students	56,000	50,000	(6,000)	
89	Purchased Utilities - Net	6,607,500	6,862,400	254,900	
90	Information Technology Fee	4,420,798	4,972,411	551,613	
91	Career Advantage Fee	564,736	598,620	33,884	
92	Cost Recovery-Auxiliaries	(446,135)	(446,135)	-	
93	Cost Recovery-Wayne College	(69,508)	(100,000)	(30,492)	
94	Indirect Cost Redistribution	1,847,285	1,847,285	-	
95	Legal Fees (Counsel & Settlemts)	1,273,000	1,773,000	500,000	
96	Insurance	480,000	626,550	146,550	
97	Property Assessments	44,100	44,100	-	
98	Reserve for Increased Enrollment/Bad Debt	600,000	900,000	300,000	
99	Campus Budget Reserve	303,667	1,000,000	696,333	
100	Central Banking Fees	400,500	500,500	100,000	
101	New Building Operation & Maintenance	72,272	75,000	2,728	
102	Depart'l Sales Expenses & E.B.	3,935,152	3,935,152	-	
103	External Auditing	180,000	220,000	40,000	
104	University General Memberships	150,000	125,000	(25,000)	
105	Patent Marketing Expense	20,000	10,000	(10,000)	
106	Administrative Searches	75,000	25,000	(50,000)	
107	Federal Relations	75,000	75,000	-	
108	PFOC Projects under $75,000	150,000	150,000	-	
109	PeopleSoft V8 upgrade	-	1,500,000	1,500,000	
110	Employee Training	40,000	-	(40,000)	
111	University Advertising	1,000,000	500,000	(500,000)	
112	Technology Fund	983,481	983,481	-	
112.5	Carryover Tax	-	-	-	To be considered if deemed necessary by additional state reductions.
113	Other	215,345	255,300	39,955	
114	Proportional Reductions Subject to Enrollment	(129,525)	-	129,525	
	Subtotal Other Academic/Inst. Support	$ 23,932,368	$ 27,591,364	$ 3,658,996	
	Total Continuing Obligations	$ 47,809,727	$ 52,589,326	$ 4,779,599	
	TOTAL NON-PERSONNEL	$ 71,450,470	$ 74,603,514	$ 3,153,044	

The University of Akron
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FY03-04 Preliminary Budget Scenarios

		FY03 Original Budget	FY04 Proposed Budget (PBC)	Difference from FY03 Budget	Comments:
	TRANSFERS-OUT:				
115	Student Center	807,235	807,235	-	
116	Rubber Bowl	296,885	296,885	-	
117	E.J. Thomas Operations	727,112	700,000	(27,112)	
118	Residence Life & Housing	-	-	-	
119	Perkins & Nursing Loans Match	88,000	88,000	-	
120	Plant Funds	1,000,000	800,000	(200,000)	
121	Internal Loan	2,738,161	2,624,858	(113,303)	
122	Bonded Debt Repayment - Series 1997a	319,504	320,019	515	
123	Debt Repayment - Series 1999a	310,030	350,034	40,004	
124	Debt Repayment - Series 1999a - facilities fee	4,171,974	4,714,331	542,357	
125	OBR Capital Component	2,032,843	2,032,843	-	
126	Chilled Water Tank	-	350,000	350,000	
127	Real Estate Assessment Agreement - City of Akron	87,000	87,000	-	
	TOTAL TRANSFERS OUT	$ 12,578,744	$ 13,171,205	$ 592,461	
	TOTAL EXPENDITURES	$ 239,706,076	$ 247,181,464	$ 7,475,388	
	Budgeted Surplus (Deficit)	$ -	$ (7,384)	$ (7,384)	

1% Salary pool =	**$1.2 million**
1% increase in tuition =	**$950,000**
1% increase in enrollment =	**$1.2 million**