University Budget Committee

September 8, 2005

Special Called Meeting by Provost Smith

Regular Members in Attendance: Cal Christian, Henry Ferrell, Carol Lust, Michael Poock, Art Rodriguez, Ralph Scott

Ex-officio Members in Attendance: Joe Gaddis, Andrea Harrell, Kevin Seitz, James LeRoy Smith, Gary Vanderpool.

Special Guests: Elmer Poe

Person Presiding: Professor Henry Ferrell

Professor Ferrell called the meeting to order at 4:04 P.M in Rawl Room 105. He next made introductions as the group consisted of members of both the old and new University Budget Committees.

Minutes of the Special Called Meeting of August 2nd, 2005 were approved on a voice vote.

Agenda Item #1 – Reports of Seitz and Smith to the September meeting of the ECU Faculty Senate.

The Committee discussed their report to the Senate. Professor Ferrell turned the floor over to Smith and Seitz.

Provost Smith reported on the proposed budget allocations for the coming fiscal year. He noted that Vice Chancellor Seitz had “done well” with the divisional funding allocations. Some $15 million in additional funding (largely enrollment increase) as well as $5 million in tuition increase funding had been allocated to the university. This will allow us to create around 128 new faculty positions (119 will be in Distance education in Health Sciences and Academic Affairs – This reflects the traditional 11-88% funding model).
Currently we are projected to have around $2.5 million in reversions although this figure could rise. These cuts would come from current funds not the additional ones.

Smith noted that a memo had go out today to the Deans and Directors regarding faculty salary increases. This memorandum closely follows the directions provided by the Office of President. Average increase for faculty will be 3%. For course this means not everyone will get 3%. Chancellor Ballard has stated that all increased must be criteria based.

Professor Ferrell asked “What is merit?”
Provost Smith discussed the way he defined merit when he was chair of the Philosophy department. Basically faculty who were ranked above a “3” received some merit funds.

Professor Ferrell stated that there needs to be a “qualifier” from the deans to chairs as to how to reward research, teaching, and service. He noted a recent instance in Academic Library Services where a faculty member was told that service to the university was not as valued as service to the unit. Ferrell opined that service to the university needs to be valued in when merit is assessed.

Professor Ferrell next asked if deans and chair are “held to task” for their individual merit authorizations?

Provost Smith responded that he was working on a draft plan where deans and directors would “enrich” their annual reports to reflect those who had achieved merit.

Professor Scott opined that the method of merit allocations should be defined by units in their codes. While this requirement is specified in the university code, some units have no come up with specific guidelines for unit merit. Scott noted that Governance and the Unit Code Screen Committee were working on this issue. There had been problems with the wording of requirement he believed.

Professor Christian noted that it would be difficult to specify in general terms how each unit would allocate merit.

Provost Smith next spoke about plans for SPA increases. An action plan which has twelve or ten steps depending on the version has been put forth. There are plans to give the lowest paid SPA (those who make under $20K) special increase.

Professor Scott raised the issue of Career Banding.

Vice Chancellor Seitz gave the committee members a brief description of Career Banding. The noted that there had been some work in the IT area with Career Banding. It was noted that this appears at present to be an “unfunded mandate.”

Provost Smith noted that he was in weekly budget meetings with Chancellor Ballard. Emphasis is on identifying new funding sources and review of Distance education Funding.

Vice Chancellor Seitz next reported on the “priorities for funding.” We will not use the traditional scheme of allocations but instead will fund “areas of importance to the institution.” In budget session these 14 areas have been to be (partial list):
Enrollment Growth
Research Development/Advancement
Economic Development
Diversity
Safety (campus)
Academic Excellence
Brody School of Medicine
Athletics
Students
Leadership

The question is what should the focus be on?

Professor Christian stated that he would like to know how we were going to define what “Leadership” is. How were we going to quantify this?

Professor Ferrell opined that his research had led him to conclude that good leaders always asked the “right questions.” He stated that the ability to ask questions and get answers was the hallmark of good leader.

Provost Smith noted that Chancellor Ballard “was asking the right questions” here at East Carolina.

Professor Ferrell noted that often in the school’s history the institutional priorities were silent and lot listed: Medical School, Athletics and they everything else. The university has had two goals those on paper and the “ones we function with.”

**Agenda Item #2 – Funding for distance education:**

Provost Smith noted that a legislative study was underway on the cost of distance education. This was being done by Jeff Bostic.

Professor Ferrell noted several problems with distance education funding: Problem of continuity, costing is difficult to do, and the tendency is rather than to do things better to run off and do something else.

Professor Poe reported next to the committee on distance education funding at East Carolina. He noted that funding comes to us from the Office of President according to a 12 cell matrix. These monies are distributed by the Provost. We have no firm cost per student for Distance education because each dean distribute funding in their unit to best support the programs as they see fit. There is considerable variability in how funds are allocated. Poe next distributed a handout concerning the cost per semester credit hour for distance education. The handout shows that distance education costs more than face to face in some units and in some units face to face costs more. This is a result of the way in which the dean’s distribute the funding. Some 70% of distance
education funding is for graduate courses. Poe noted that some UNC system schools use the Continuing Education model for distance education funding.

Poe distributed a second handout entitled “Cost of distance education Relative to On-campus for UNC and ECU”

Professor Ferrell asked how many Distance education students were on campus students.

Professor Poe responded that of the 5,000 total distance education students some 1108 were here at ECU “in the dorms.”

Professor Poe next noted that there was a slight downturn in the number of campus students who are taking distance education courses this year at East Carolina.

Professor Christian noted that some students such as those in Accounting actually found the Online courses more of a challenge than the face to face classes. This had led to a decline in enrollment in Online courses by students located in and around Greenville (campus 008) in most accounting courses. Thus, the make-up of the online classes is mainly Distance Education students (campus 650).

Professor Ferrell stated that he would turn the Senate floor over the Seitz and Smith for their reports after he is recognized at the September Senate meeting on Tuesday.

Professor Ferrell noted that the next meeting of the Committee was the Fall organizational meeting on September 15th, 2005.

Professor Ferrell stated that he appreciated the willingness of Provost Smith and Vice Chancellor Seitz to listen to and update the committee on these matters. He also noted that the time was now 5:15 and there being no further business he adjourned the committee.

Respectfully submitted,

Ralph Scott
Secretary, University Budget Committee