

Minutes, University Budget Committee, March 5, 2020

Regular members in attendance: Amy Frank, Uduak Akpan, Holly Wei, Cindy Elmore, Steven Garrett.

Ex-officio members in attendance: Stephanie Coleman, Gary Vanderpool, Becky Welch.

Faculty Senate Chair Jeff Popke attended as a guest.

1. Chair Holly Wei called the meeting to order at 4 p.m.
2. Minutes of the Feb. 13, 2020 UBC meeting were approved.
3. Raises for fixed-term faculty advancements in rank:
 - UBC Chair Holly Wei reported that the Faculty Welfare Committee may want to join the UBC for a future discussion about the issue of a policy recommendation for raises for fixed-term faculty advancements in rank.
 - Faculty Senate Chair Jeff Popke reported that the subcommittee investigating the issue has gathered information from all ECU colleges and schools and has received feedback from other institutions but needs additional time to compile what it has learned into a report.
 - The subcommittee will meet before presenting its findings and recommendations to the UBC in April.
4. Dr. Puri Martinez presented her findings and recommendations to improve faculty involvement in the ECU budget process. She has long been interested or involved in the topic and has read numerous books and articles about the issue. She researched the best university practices to facilitate faculty involvement, especially during times of budget cuts. Under best practices, faculty should have “early, careful and meaningful” involvement in the process. Given that ECU is governed by the idea of shared governance, faculty do have a legitimate claim for faculty involvement in the university budget process. Martinez reported that best practices include:
 - having well-established priorities, including a vision for where the university is going based on its strategic plan. The budget must be aligned with strategic plan priorities.
 - having transparency in the process of creating the budget and for the associated deadlines. There should be a consultation and dialog with the UBC, not just a presentation.
 - having budget requests evaluated in accordance with explicit, detailed criterion that has been agreed to in advance by the affected constituencies. This is not currently being done, and units never know what criterion determines the decisions.

- having budget discussions be a regular part of campus life. The budget should be presented each year in open meetings with the faculty, staff, and students. Talking openly about budgets should not be done only when there is a problem. When this happens, constituents feel excluded, especially when the discussion comes after decisions have already been made. When people don't know what the big picture is, they will fill the void with rumors.

American University was found to have an exemplary model for budget transparency. It has a transparent budget timeline and budget development guidelines for how new budgets are formulated. Its budget officer and provost hold town hall budget presentations, and a report is provided to faculty.

Recommendations for greater transparency in ECU's budget process include the following:

- The UBC should see that ECU's budget and athletic fiscal affairs webpage is transparent and the ECU's annual financial statement is easy to find online.
- ECU should be more transparent with information about its many different university budgets. While ECU has a decentralized budget, so do other universities that exhibit greater transparency. This should include both the budget (which looks forward) and the financial statement (which looks backward), as well as the operating budget, auxiliary budget, reserves, and capital budget.
- At the beginning of the budgetary cycle, faculty should be told how much money will be available, what items from the strategic plan will be incorporated into the budget, and how much money will be invested into each budgetary item.
- Guidelines need to be provided to the units as they come up with their own budget requests. ECU needs to be able to manage disappointment among units that do not receive what they request in their budgets.
- The UBC should be consulted after receiving final revenue projections from ECU's chief financial officer.
- Before final allocations are made, budget hearings need to be held for each college, which is where the deans could defend their budget requests. The benefit to this process is that it encourages deans and chairs to think hard about their requests and provides an opportunity to communicate and vet those ideas.
- Under current budget rules, the hiring freeze affects those units that have employees leaving, which means the freeze is unevenly applied. And it should be taken into consideration whether some fields, such as the humanities, do not have the opportunity to bring in funds through research. Faculty should not be sending the message that they will just teach larger and larger classes and absorb the budget cuts.
- The UBC should update the budget primers, which haven't been updated since 2014. The UBC also needs to discuss the committee's role with the provost and academic council and develop a more transparent budget process that includes hearings.

5. Wei recommended taking up some of Martinez' recommendations next year, given that the UBC meets only once more before the fall semester.
6. Popke added that the presentation encapsulates a long-term goal of the UBC, and all recommendations are consistent with the committee's charge, which is to advise the chancellor on budget strategies and priorities. The current interim chancellor said he is on board with providing a more active role for the UBC. He would advocate for faculty to have a seat at the table during the presentations that deans make when there is a budget surplus.
7. Popke gave an update on the new chancellor search. The search committee does not yet have access to the SharePoint site where applications are to be located. All search committee members were forced to sign a non-disclosure agreement forbidding them from discussing the search with anyone, and there was no opportunity to discuss the terms of the very restrictive NDA. Popke plans to push back so that he or others could at least provide a general sense of what the candidate pool looks like. If the search committee is not satisfied with the pool, search committee chair Vern Davenport has said he is open to slowing down the process. A majority of ECU's peer universities have a public naming of the finalists for chancellor positions, but this is not the policy of the UNC system. It is also not uncommon at universities outside of North Carolina for chancellor finalists to be publicly named. It is possible that a short list of candidates would get to meet with small group of faculties who could dialog with the candidates, although the faculty in this process would also have to sign an NDA. The written job ad was not taken to the search committee for vetting, and ECU is paying the UNC system office for its work in conducting the search. BOT chair Vern Davenport made the decision without the search committee's input that a search firm would not be used.
8. The meeting was adjourned at 4:58 p.m.

Amendments and Additaments to the contents discussed in the March 5 meeting:

Dr. Sara Thorndike, MBA, CPA, EdD, Vice Chancellor for Administration and Finance, provided some information in response to the meeting minutes.

- The budget primer was updated and distributed by Mark, the former Chair of the University Budget Committee, a little over a year ago on October 29, 2018.
- Dr. Thorndike and her team are currently working on the budget primer for 2018-2019.
- In the meantime, we can replace the one that is currently posted on the Senate website with the 2017-18 version if necessary.
- A Comprehensive Budget Report is provided to the Board of Trustees at each meeting and is available in the public board materials on our website.
- Archived materials can be found here: <https://www.ecu.edu/cs-admin/bot/Archived-Meeting-Documents.cfm>.
- ECU's annual financial reports are available online here: <https://financialservices.ecu.edu/financial-reporting-capital-budgeting/>.

- Similar to this past year, there will not be a university budget process or retreat for 2020-2021 as there are no new funds to distribute.
- Dr. Sara Thorndike, Vice Chancellor for Administration and Finance, offers to share a budget update when the committee reconvenes in the fall.