

## University Budget Committee Minutes

<b>Meeting Date and Time:</b> 1/27/2022 4 – 5 pm	
<b>Meeting Topic(s):</b> NCSU Budgeting Process, New Funding Model concept, Next Steps for a Faculty Inclusive Budget Planning Process	
<p><b>Attendees, Members:</b> Dr. Cindy Elmore (Vice-Chair), Steve Garrett (Secretary), Dr. Page Varnell (Chair), Dr. Jennifer McKinnon, Dr. Beth Thompson, Dr. Meghan Millea, Dr. Candace Jenkins</p> <p><b>Ex-officio Members:</b> Ms. Stephanie Coleman, Dr. Wendy Sergeant, Dr. Gary Venderpool, Dr. Becky Gardner, Dr. Susan Chapman, Senate Chair Dr. Purificación Martínez, Dr. Marlena Rose</p> <p><b>Attendees, Guests:</b> Steven Vincent, NC State</p>	
<b>Meeting Purpose(s):</b> to learn about NC State's process from Steven Vincent, to review and ask questions about a presentation given to the Board of Governors and ECU Deans, to start the discussion of how we can develop a budget / planning process that includes faculty input	
<b>Objectives/Outcomes:</b> UBC learns about NCSU process and proposed budget model, starts discussion about new process for ECU	
<b>Agenda Item #1</b>	<b>Approval of minutes from prior meeting</b>
<b>Options/Points Raised:</b>	No comments or corrections offered.
<b>Decisions or Recommendations:</b>	Approved as submitted by voice vote.
<b>Agenda Item #2</b>	New Funding Model Concept Presentation
<b>Options/Points Raised:</b>	Discussion of proposed changes and potential effect based on performance changes (both positive and negative).
<b>Decisions or Recommendations:</b>	Information presentation / Q&A; no decisions required
<b>Agenda Item #3</b>	Discussion of NCSU experience from Dr. Vincent's perspective
<b>Options/Points Raised:</b>	No change to status quo. Faculty are still not substantially engaged in budgeting and resource allocation.
<b>Decisions or Recommendations:</b>	No decisions or recommendations. This was an information sharing presentation and Q&A session so that we could learn about what's been happening at NC State.
<b>Agenda Item #4</b>	Next Steps

<b>Options/Points Raised:</b>	Did not get to this topic	
<b>Decisions or Recommendations:</b>		
<b>Agenda Item #5</b>		
<b>Options/Points Raised:</b>		
<b>Decisions or Recommendations:</b>		
<b>Action Items</b>		
<b>Task to Be Done</b>	<b>Person Responsible</b>	<b>Due Date</b>
N/A		

Freeform Notes

1. Dr. Steven Vincent from NCSU – Inclusive Budget Process

Goal was to include more faculty input. Still a top-down system. Started by looking at perceived problems. Concerns – part-time (professional track) faculty treatment / pay rate, large spend on new and renovated buildings vs. spending on faculty growth, and administrative bloat.

Current situation is that faculty isn't very engaged with resource allocation yet. All original problems are perceived to be unchanged or even more out-of-alignment. Originally, there was a great deal of openness and discussion, however that has diminished recently.

Bottom-up feedback is limited, from Dr. Vincent's perspective. The Covid situation has exacerbated the situation.

The good news is that there are competent people in the budget departments. The area of concern is the how the decision-making process works, who makes the decisions, and the lack of faculty input.

Q: Is there any type of formalized budget process where faculty give feedback?  
A: That's what the budget advisory committee was intended to do. It consists of 3 faculty senators, a couple of other faculty and many administration personnel.

The committee hasn't met since the Fall, and the information flow has slowed or stopped.

Q: What's the reaction on campus at NC State about the proposed new funding model? A: No answer known.

Q: Does NC State have a set of principles that govern the budget creation process and includes faculty concerns? Is that not the case?

A: It appears to be a top-down process.

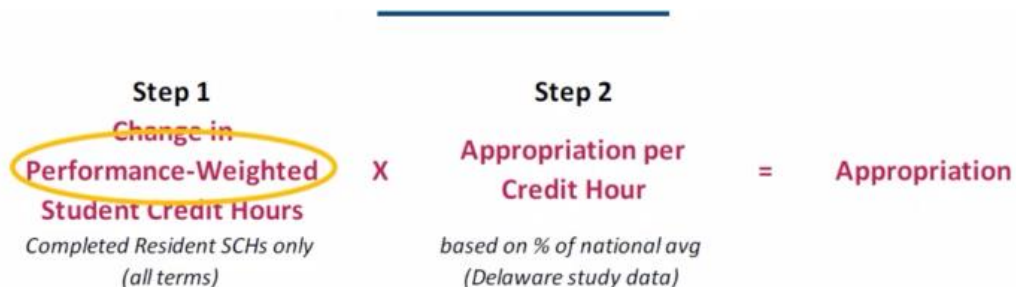
Solid discussion of how to share information / communicate across the campuses of the UNC system. AAUP (American Association of University Professors) chapter at ECU might be an option to lead that process.

## 2. Funding Model Presentation and Discussion

Old funding model – did not reward for student success; was driven by enrollment growth. Average teaching cost added to inequities – high-cost schools got more funding by adding teaching hours. Also gave greater value to graduate enrollment and did not include summer instruction.

New model connects to strategic goals, increase revenue by improving performance, eliminate tuition, balance undergraduate and graduate instruction, incentives to keep actual costs at or below national averages, recognize differences in cost among departments, includes summer

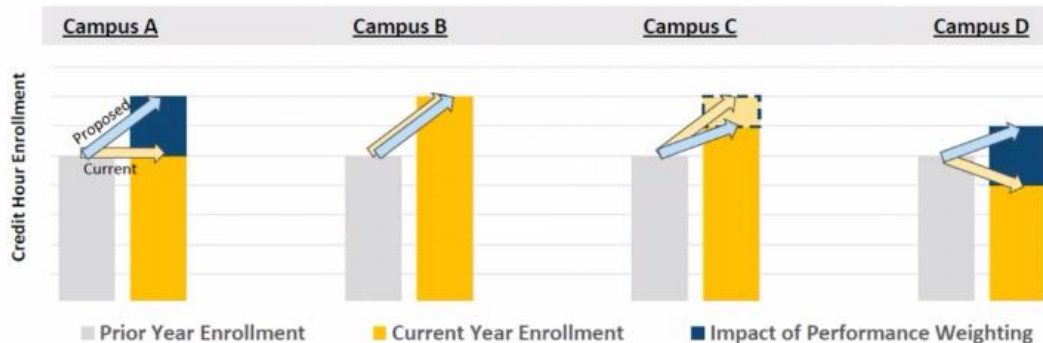
Non-resident students will not be included in the model – out-of-state tuition is retained by the school.



Also looking at graduation rate and debt loads for students plus a sixth one based on individual strategic plans

If performance improves, the model will increase credit hours thus increasing funding

# Simplified Illustrative Examples



	Enrollment	Performance	Prior Year SCH	Current Year SCH	SCH Change (Before Weighting)	Performance Weight	Current Year Weighted SCH	SCH Change (After Weighting)
A	Flat	Improves	100,000	100,000	0	1.02	102,000	2,000
B	Grows	Flat	100,000	102,000	2,000	1.00	102,000	2,000
C	Grows	Declines	100,000	102,000	2,000	.99	100,980	980
D	Declines	Improves	100,000	99,000	-1,000	1.02	100,980	980

Then the model will compare results using the Delaware Cost Study based on Carnegie classification – R1, R2, etc. ECU is R2.

Added overhead components based on UNC system.

Dental and Medical will be excluded from the model and requested separately. Considering a year of transition – FY23 we would receive the greater amount either new or old model

Range of performance adjustments is +2.5 to -1 (1.02 multiplier vs..99 multiplier). There's no current plan to have a cap or floor adjustment.

Q – is there a discussion about rewarding grade inflation? It's based on graduation rate, not passing classes per se. Main concern from multiple campuses has to do with undergraduate vs. graduate being funded at the same level. ECU would like to add a premium in funding to graduate programs in 'critical workforce' disciplines. UNCW, UNCC and ECU have the same concern.

18% cap on out-of-state students is being discussed across the system. ECU current level is about 12% OOS.

Excel document example

Performance can have a significant impact on funding. This has the potential to cut or increase funding based on performance. Though the .99 to 1.025 seems like a small amount, the dollar amount is quite large and therefore the delta can be sizable.

Q – do we know our current cost vs. national average costs? Program codes don't align to departments.

Q: what is undergraduate efficiency rate? The # of undergraduate credentials awarded per 100 equivalent undergraduates. Credentials is any degree below graduate degrees, including Associates, Bachelors, credentials.

ECU is currently higher than the UNC average.

The UNC System is concerned now with process components like the Delaware Study data (R1 and R2 assignments), Overhead costs, and graduate / undergraduate equivalent treatment. We will have an opportunity to give input to the weighting component in the future. Weights have a serious impact on total dollars, so this needs to be evaluated.

How are performance levels going to be measured year-to-year? Today, there is a baseline, a threshold, and a stretch goal for every metric. The metrics exist now. We don't know if which target will be targeted for performance improvements and used for funding decisions. (Secretary note – improvements becoming the new baseline is consistent with the continuous improvement / kaizen philosophy).

There is a transition plan, and there is a consideration of using a 2 or 3 year trend study to choose which model to follow for each campus.

Motion and adjournment at 5:10 pm

Participants (14)

Search

SG Steve Garrett  
Me

Karla Varnell  
Host, Internal

BG Becky Gardner  
Internal

Beth Thompson  
Internal

Candice Jenkins  
Internal

CE Cindy Elmore  
Internal

GV Gary Vanderpool

JM Jennifer McKinnon

Marlena Rose  
Internal

Meghan Millea  
Internal

PM Purificacion Martinez  
Internal

SC Stephanie Coleman  
Internal

SV Steven Vincent