Senate Budget Committee Meeting  Sept 30 2015
Present: Doug Friedman, Brian McGee, Courtney Murren, Martha Stackel, William Veal, Julia Eichelberger

Brian confirmed and elaborated upon his email sent to us the night before. {memo is below in small font}

At our last meeting, I was moving back and forth between a personnel dollars calculation (with fringe benefits removed) and an actual dollar calculation of our goal for budget reductions. That practice was confusing, I think. For simplicity, let us note that the full budget cut for Academic Affairs will be $1,055,000, with $250,000 of that amount to be deferred to FY17.

While the majority of the budget cut will necessarily come from our personnel expenses, it appears likely that we will put together between $100,000-175,000 in recurring operating funds as part of this year’s budget reductions.

A very limited number of vacant positions are currently available in Academic Affairs for use in this year’s budget exercise. Most of those positions will have to be swept in order to meet our budget-reduction goal.
I will have more details on these points in our meeting.

I expect the following principles will guide me in making these budget reductions, and any budget reductions that may be necessary for next year:

Operating budgets will not be the primary source of funds for these budget-reduction exercises. Our operating budgets in many cases are already too lean.

Reductions in administrative support services will be prioritized over cuts made directly to the classroom.

Reductions in staffing will have to include some faculty positions, because so much of our personnel budget is devoted to faculty support. Further, while adjunct and visiting positions are those most easily eliminated, reductions in those positions alone will not be sufficient to meet our financial goals.

We should retain the capacity to provide salary increases for faculty and staff, even while making budget reductions in other areas.

We must continue to involve faculty in shared governance as we discuss all possibilities for reducing personnel and operating budgets.

At the meeting the Interim Provost gave more detail. The amount we must cut (1,055,000) has been confirmed w Steve Osborne. Brian reported that some cuts will be made in other units, such as in IT. He acknowledged that even so, Academic Affairs is taking about 70% of the needed cuts (the President called for a total of 1.5M) even though we are not 70% of the total budget.
He explained this is a 2-phase process. First he has to produce a budget reduction of 800,000 for the President by Friday. Next, he’ll begin planning where to cut that additional 250 down from next year’s budget. He is also anticipating more strains on our revenues & new expenses next year. When this year’s senior class graduates, our percentage of nonresident students will drop. So in the next fiscal year, we can expect a need for additional cuts in addition to finding the 250 that is promised. There’s a chance we could get a higher number of nonresidents by recruiting more international students, which would raise revenues, and there’s also a chance the state will mandate a raise that we have to pay for (like this year’s $800 bonus for all permanent employees making less than 100,000). We also don’t know how conservative the BOT will want us to be for next year. Will we be allowed to use our enrollment reserve fund, or will they want new cuts to offset possible new dips in revenue? Also we can be sure there will be increases in health insurance and that there will be other mandated new expenses.

To get the 800,000 he needs to cut, Brian will definitely cut 2 vacant positions in Provost’s office, which gets us down to 612K. He hopes to get up to 100K from schools’ operating budgets and another 75K in operating budget cuts from his office and other units. Schools’ cuts will be negotiated with Deans. If we made only about 50K in cuts, we’d have around 480K still left to cut. Remaining cuts will come from vacant positions. The Interim Provost did not list each specific position that he anticipates cutting, but discussed with us some vacant positions, noting some he deemed too critical to cut (for example, the Registrar). Other staff positions that generate revenue (for example, ORGA, SOBE, Admissions) seem to him unwise to cut.

In choosing to cut faculty lines, the Interim Provost is considering the department’s % of adjunct use, enrollment trends in that unit, and the likelihood that cutting a position will impair students’ ability to complete degree in a reasonable time; he will also consider local adjunct availability for particular disciplines. [We are not actually calculating added adjunct costs at this point.] Each dean is asked to make a case for any critical lines and to force-rank if there are multiple lines vacant. “The more efficient a unit appears to be, the more likely it is that its resources will be protected.”

In planning for next year’s budget, the College could in effect restore a position we just cut, as soon as we can ID something else to take that cut’s place next year. So the Interim Provost is looking towards any vacancies we anticipate for next year. In addition to new retirements, every TERIed staff member is in an “employment at will” situation and every TERIed faculty member and all faculty in visiting and instructor lines are on annual contracts; when they finish this year’s teaching they do not have to be renewed. (Brian has no interest in
losing instructors who’ve done great work for us for many years, he says.) In trying to find ways to cut next year’s expenses while minimizing harm to our academic mission, we have to look at every possible position that can be rearranged. Even before the upcoming BOT meeting, deans will begin to work w the Interim Provost as he finds the 250K needed for next year’s cut.

The Provost notes that we still have plenty of good news as an institution. In-state applications are up; this year’s incoming class has more students of color than we’ve had in previous years; we are still doing excellent work in the classroom and as scholars.

The committee asked more questions:

Some noted the low pay of most of these positions being considered for cuts, vs the high pay of some senior people who (let us imagine hypothetically) may not be contributing very much, teaching very few students, doing no research/service, etc. Wouldn’t it be better to eliminate these costly positions, some wondered. Brian pointed out that we wouldn’t want to start letting tenured faculty go, which we agreed with. Some committee members suggested that faculty (especially highly paid senior faculty) who are not teaching many students may need to start teaching more. The Interim Provost noted that different departments have different policies assigning particular faculty to certain kinds of workloads. It’s incumbent upon deans/chairs to try to make efficient use of their faculty and to evaluate them accurately. If they are not performing in all the required areas, their evaluations should reflect this.

We noted that other units outside Academic Affairs don’t appear, to us, to be held accountable and rigorously evaluated in the way faculty are. If they are assessed and held accountable for their work, we’d like to know a little more about that. Brian said that from his previous job in the President’s office he knew that every unit had some sort of assessment and accountability protocols. IT and Athletics each have had a fairly thorough evaluation/review in recent years (Huron corporation did a very expensive external review of IT; Athletics was evaluated in the 2000s before we joined the CAA). Brian suggested we might meet with the President and/or Paul Patrick to get their perspectives on the way other units are assessed and how that assessment affects their level of funding. We noted that in 2012-13, according to the NCAA report, the Athletics department had spent 1,400,000 over its budget—an amount similar to what we are now being asked to cut from the College budget as a whole.

We asked if the school expects to change its mix of tenure-stream to visiting faculty, moving toward a higher percentage of instructors or visiting faculty who teach 12 hours. Brian said we need to come up with a clearer rationale, in every discipline and department, for why we have the mix that we have.

Other comments by the committee:

We wish we could look to the state for better funding, especially since we have many excellent SC residents attending and many of them could be better supported w financial aid
packages. Could we ever expect to get more than 8.5% of our funds from the state, to better support SC residents? Could special appropriations be directed to this end? The Interim Provost said there is little reason to expect this from our Legislature.

Should we increase the size of our freshman class even if they are in-state—wouldn’t that help? Brian noted that we don’t really have room for more than about 10,500 students. Additionally, serving students in satellite locations could be a way to increase capacity but we cannot invest new money in a new facility at this point; we already have a nice new place in N Charleston that we are not fully using yet. In-state students do not pay the full cost of their education; adding more would only increase revenues if we did not add lines or new buildings to accommodate them.

Members of the committee affirmed that they understood the general principles and two phased process of the Interim Provost’s plan for making cuts and for trying to balance out inequities in planning for next year’s budget. We had no further advice for him at this point. We think we will need to pose some further questions to the President since the Interim Provost is not responsible for other units and the President’s overall policies.

We also discussed what to present to the Senate at the October meeting. The plan is to give a very brief summary of what’s happened since April, not going over information that has already been presented but explaining how our committee has participated before and after decisions have been made. Hopefully the report will be no more than 10 minutes. Courtney is going to gather info from the IRP Fact Book about trends in the size of our faculty, the number of students from in and out of state, the number of staff, etc. over the past 10 years or so. This will be part of the Senate report. Julia will draft an outline for this report and get feedback from the committee before the Senate meeting.