During 2021-22 the Budget committee continued to address fundamental issues relevant to the accomplishment of its charge as described in previous reports. These issues were

- A strong relationship with the CFO and Provost and transparency in budget processes
- Effective inclusion of the Committee (and thus Senate and faculty) in strategic budget decisions
- More detailed information and review of yearly budgets
- Role of the Budget Committee in long range budget planning
- Upcoming implementation of Responsibility Centered Management

**A strong relationship with the CFO and Provost and transparency in budget processes.** The Committee continues to develop a strong relationship with Provost Austin and CFO Loonan resulting in much more robust information sharing and exchange of ideas.

**Effective inclusion of the Committee (and thus Senate and faculty) in strategic budget decisions.** Progress is being made toward increasing the Budget Committee’s direct involvement in the budget process.

**Background** - For the faculty committee to have real input into academic program budget decisions we must be part of early program discussions in Academic Affairs rather than informed of a major or other decision for approval in Curriculog. Review of program and budget proposal by the College’s senior administrators has now been formally incorporated into the decision process as an “Executive Review” step prior to submission to Curriculog. Committee members indicated that with this approach subsequent review by the Budget Committee is seemingly redundant. Provost Austin, however, has assured the committee that the referral of a program to faculty committees via Curriculog following Executive Review is for further review and that the proposal has not received final approval by the president or provost. While the proposal and budget would be acceptable as currently presented further discussion and possible revision is not precluded. The issue was again raised with the Board of Trustees acceptance of the proposal for the formation of a School of Health Science. At the time of the approval the committee had unresolved issues with the proposed budget and was awaiting a response to requested budget revisions in the proposal for the school prior to making a recommendation to the Senate.

**Actions** - In the spring of 2022 Provost Austin convened a working group with the chairs of Academic Planning, Budget, and the Committee on Bylaws and the Faculty
Administrative Manual to work with the provost’s office to review the procedures for the committee’s senate recommendations for Schools and Departments. This work has established that that Senate Budget and Academic Planning committees should be engaged early in the development of proposals for new programs as well as subsequent department and school formation decisions. Guidance for proposers for new programs will call for consultation with the committees prior and during the Executive Review stage of program approval. President Hsu has noted, however, on several occasions that faculty “approval” via committees and senate is a recommendation and that programs and schools and departments are approved by the Board of Trustees on the recommendation of the president. The working group will continue its engagement with the provost in the fall to fully develop process and timelines for faculty recommendations for strategic academic program initiatives. Deans will be reminded by Academic Affairs and the committee chairs of the necessity of early communication if proposals are to be positively reviewed within the curriculum approval timelines.

Provost Austin has indicated that her priority is for increasing faculty salaries, and this has become a key priority in the College long range budget plan. There is still however, a need for a formal process for Budget Committee input into Academic Affairs budget requests each year for the coming fiscal budget prior to College units forwarding their requests for budget allocations in the coming fiscal year. School level requests for new funding are generally submitted to the provost in February. The provost’s priorities for the upcoming College fiscal year’s budget are submitted soon thereafter.

Discussion of the school proposals competing for new funding will allow the committee to make recommendations for upcoming budgets rather than only reviewing an already Board approved budget. A structure for formal Budget Committee recommendations for academic budget allocations has been a longstanding goal of the Budget Committee. Such communication is in keeping with the concept of shared governance and a partnership between faculty and administration. The committee would need to be provided a list of school requests at the beginning of the spring semester for discussion with the provost at a late January or early February committee meeting. The Committee fully recognizes that such a process would be for recommendations only.

**More detailed information and review of yearly budgets** – CFO Loonan provided the Committee with a copy of the 21-22 Budget Briefing Book (budget detail) provided the Board of Trustees. This detail was reviewed by the committee and formed the basis for the Committee Chair’s report to the Senate last fall. The review indicated the College has adopted sounder budgetary process and made significant progress in the development of the monetary reserves (and admissions and scholarship administration) necessary for financial stability.

Each year after the prior fiscal year’s accounts are reconciled, the College completes a final reconciliation of revenue and expenses. This reconciliation is presented to the Board of Trustees at its fall meeting. CFO Loonan reviewed the year end results with the Committee indicating that greater than forecast enrollments and significant cost
savings in fiscal 21 resulted in positive balance of approximately 13 million dollars to be allocated to infrastructure needs and stabilizing the College’s reserve fund.

**Role of the Budget Committee in long range budget planning** - As a result of the committee meeting with President Andrew Hsu in the Spring, we have now established an agreed framework for committee input into the College’s budget plan and long-range planning. The president initiated the conversation with the committee because of the controversy following the Board of Trustee’s approval of the School of Health Sciences. It was agreed that the Budget Committee will review priorities in the 5-year budget plan with emphasis on priorities for planning for Year 2 and beyond. The logic for this focus is the limited time for committee input given administration’s need to build a forthcoming year’s final budget rapidly after freshman deposits are realized, the Board of Trustee’s Budget Retreat in May and final approval in mid-June.

As noted earlier discussion of budget priorities with the CFO and Provost indicate that Faculty Salary Increases are a priority in future College budgets and that the College is examining how to best implement any merit increases as well as “across the board” increases that may be mandated by the legislature.

**Upcoming implementation of Responsibility Centered Management** – During the year the Committee received general updates on the development of the RCM model. Committee members received a copy of the RCM handbook distributed to key administrators and deans explaining the RCM approach with examples of implementation. A review of the RCM approach and general update was provided to each school in the latter part of the fall semester.

The Budget Committee seeks to establish a significant and procedural role in the College level budget processed under RCM. In addition to its role at the College level the Committee unanimously recommends that each School have a Budget Committee to make school level recommendations to their school’s dean. This application of transparency under RCM would be accompanied by a yearly budget report of sources and uses of funds by the dean.

CFO Loonan informed the Committee at the April meeting that there will be a two-year mirroring of the existing budget process with the RCM budget prior to full implementation.

**Committee Actions and Priorities for 22-23**

CFO Loonan established a schedule of budget discussions with the Committee. He will review the new fiscal year budget as approved by the Board of Trustees at early fall committee meeting. 5-year budget planning and coming fiscal year revenue and expense projections will be discussed at a late spring semester meeting. Committee members have also requested that updates on possible legislative allocations to the College be reviewed.
The Committee will seek to establish a structured review/recommendation process for new funding proposals for a coming fiscal year from Academic Affairs.

The Budget Committee will work with the Academic Planning Committee and the Provost to establish procedures to better engage faculty input into strategic decisions for new programs and structural changes in departments and schools.

The Committee is anticipating that the continued development and implementation of RCM will be a major topic in the coming year.

A calendar for Budget Committee reports to the Senate was established with 21-22 Speaker Simon & incoming Speaker William Teal. At an early fall meeting the Chair of the Committee will provide a report to the Senate on the budget as approved by the Board of Trustees for the current fiscal year and an update on any issues the committee expects to address in the coming year. A second report will be provided late in the spring semester reviewing significant issues during the year and expectations for the next fiscal year's budget. These reports will be coordinated with input from the Provost and CFO to the Committee and Senate.

Finally, Robert "Bob" Pitts, Professor of Marketing, as Chair, and Adam Jordan, Assistant Professor of Teacher Education, as the Secretary will continue in their roles for 2022-23.

Committee Members (2021-2022)

Chair: Robert Pitts - Management and Marketing
Secretary: Adam Jordan - Teacher Education
Ayalon, Yaron - Jewish Studies
Davis, Julie - Communication
McNerney, Todd - Theater and Dance
Neufeld, Johnathan - Philosophy
Southgate, Agnes - Biology
Non-voting ex-officio members:
    Provost (or Provost's designee), Suzanne Austin
    College Budget Director (CFO), John Loonan

Submitted by Robert Pitts for the Budget Committee