Budget Committee Wednesday October 13, 2021 at 9am

Potential Items for Agenda

Role of Budget Committee and Academic Affairs Program Approvals

Role of Budget Committee under RCM

Members Present: Bob Pitts, Suzanne Austin, Julie Davis, Todd McNerney, Everett McInnis, John Loonan, Jonathan Neufeld, Yaron Ayalon, Adam Jordan, Agnes Southgate, Simon Lewis

Minutes:

Meeting called to order by chair at 9:05

1. Bob Pitts discussed the role of the committee as noted in the agenda.
   a. Point of discussion: Role of the committee in programming initiatives
   b. Suzanne Austin pointed out that program proposals come from departments and are not administrative generated initiatives. Noted the role of the committee as an appreciated “second set of eyes” reviewing curricular costs with new programming.
   c. Everett McInnis spoke to the longitudinal and multi-step, multi-party nature of the curriculum process.
   d. Agnes Southgate expressed the concern that the budget committee has not, historically, had an opportunity for meaningful input on processes given the fact that the committee often receives proposals after they’ve gone through other stages of the approval process.
   e. Suzanne Austin suggested the committee returning to the senate to discuss how conversations between committees and departments could be facilitated before curriculum approval processes.
   f. Jonathan Neufeld suggested moving the budget committee to an earlier stage in the Curriculog process.
   g. Todd McNerney spoke to the history of the process as a long-standing member of the budget committee, clarifying that the committee has always been provided data, but often the data have not been implemented into a predictive revenue model. Todd asked the provost and CFO to clarify how the committee could better serve the institutional processes.
   h. John Loonan discussed the incremental budgeting process and the importance of prioritization. Todd McNerney spoke to the way these data can help the committee have a valued input.
   i. The state of facilities was discussed as a concern (HVAC, mold, etc).

2. Bob Pitts requested information on the approval process under RCM
   a. John Loonan noted the importance of discussing this process. Noted the importance of the committee in providing input, particularly prior to Board of Trustees processes.
   b. Jonathan Neufeld spoke to the importance of transparency during the parallel budgeting process.
   c. Suzanne Austin stressed the importance of clear communication and the importance of clearly communicating with faculty as members of the budget committee.
   d. Agnes Southgate discussed the possibility of budget committees at the school/unit level and inquired as to those specifics.
   e. Everett McInnis shared the budget timeline process used at the administrative level.
   f. Bob proposed, as a member of the budget steering committee, proposing that each school has a budget committee.
i. Todd McNerney motioned to approve Bob’s proposal. Jonathan Neufeld seconded the motion.
ii. Everett McInnis clarified that the current steering committee is responsible for model development. After this, a governance committee will be formed, which may be the more appropriate place for this motion.
Meeting Agenda:

Chair’s Annotations

Role of Budget Committee and Academic Affairs Program Budget Approvals

The Committee has been informed that "..... preliminary review by the president, provost and CFO is to agree on support for new academic program proposals—including when necessary financial support." We now know that budgets approved through AA will have any financial and line needs covered having been reviewed and guaranteed by the President, Provost and CFO. It appears that Budget Committee approval of a program would be a given. I guess we can still ask any questions we might have about the development of the budget forecast and risk reward and advise the Senate. However, I want to discuss why we are “reviewing” program budgets (in the case of the Software Engineering Major showing a loss as analyzed by the Budget office) when the program's budget and any financial risk has already been approved (cover guarantee) by the President, Provost and CFO.

Agnes raised a key question about Academic Planning and how and who is involved in prioritizing new programs and their financial support. The College's current process approves programs majors etc. sequentially throughout the year. They are discussed by chairs deans and the provost extensively but if only reviewed one at a time there is really no way to evaluate one versus others supposedly competing for scarce resources. Many organizations have a formal review of potential resource allocations prior to the approval of a yearly budget and only approve new resources outside that process on a very exceptional basis. Thus competing uses of resources can be evaluated on a risk reward basis.

Dan Greenberg indicated that Academic Planning is now getting a “heads up” of programs in the pipeline before they appear on Curriculog. We need an a process for input prior to AA final approval if we are to have an active voice in new program approval.

Note on Budget office review of programs - The Budget Office’s Program financial model only allocates revenue directly related to the program’s credit hour production to the program. However, the non-allocated revenue goes to fund other credits taken by the student (other departments typically do not get new resources) and general college overhead. If this revenue is considered new, then this is all new revenue unless new costs are incurred.

Role of Budget Committee in the future under RCM –

RCM Update – President and Kennedy & Company will update in town hall and the President is visiting each school where issues are being raised. But many have questions /issues and the general topic of faculty concern will be raised by the Faculty Advisory Committee to the President.

John Loonan has proposed a role for the Committee in the development of long range – 3-to-5-year budgets under RCM (see Scott’s 20/21 report). Last year we discussed recommending that the Committee seek a significant and procedural role in the College level budget processed under RCM and that each school should have a transparent budget with a budget committee working with the school’s administration.

Yoran raised an additional issue concerning the Committee's role in budget policy. “... is it within our committee's mandate to make recommendations to the administration on budget-related issues? He referenced the application of a standard merit system to motivate performance. Issues with the process and lack of transparency in the 1% merit raises given this year have also been raised.