

BPC Report for Faculty Senate Meeting
March 1, 2002

Given the president's request that BPC Chair and Vice Chair develop a framework for decision making, and in view of Resolution passed at February 1st Senate meeting, Dolan met with Davis for two hours on February 8th. This meeting was intended to focus on WHAT needs to be done to improve effectiveness of BPC - and HOW to do it. To help frame the discussion, the Chair provided Davis with a list of BPC "Issues to be Resolved", as well as list of "Requirements for an Effective Budget/Planning Process" referred to in Senate Resolution. During the candid discussion between BPC Chair and Vice-Chair, it became apparent that governance and administration have **vastly different expectations** for the Budget Planning Committee. Much of this difference centers on whether the role of faculty is active or passive.

In candid remarks during 2/8 meeting with BPC Chair, the college's CFO indicated that:

- he finds the BPC to be intrusive;
- he did not expect [when he took job as CFO] to be micromanaged;
- all decisions related to funding priorities and resource allocation are his responsibility, after consultation with appropriate VPs and Directors;
- he prefers the role of faculty to be limited to input through the Academic Vice President, and to be limited to academic areas
- if he requests input from faculty on non-academic issues (such as technology, energy or M&O projections), he prefers that such input be from individual faculty, on an informal ad hoc basis;
- he would be "willing to share information", using his discretion to determine the nature and detail of information. (In the context of the discussion, Davis was referring to the reporting and sharing of information *after* priorities and resource allocation decisions have been made.)

The BPC Chair met with Dr. Butts (2/11) to brief him on 2/8 discussion with CFO. The budget/planning model preferred by the CFO appears to be inconsistent with the collaborative and participatory model sought by governance, recommended by Middle States, and normative throughout SUNY. Dr. Butts indicated that he would have a follow-up discussion with Len Davis on the subject of BPC. It remains unclear at this point, how the BPC may move forward in any attempt to formalize the role of faculty [and students] in collegewide budgeting and planning.

An RFQ has been issued by State University Construction Fund for the Academic Crescent program study. In several memos (Jan. 15th and Feb. 22nd), the BPC Chair sought additional information from Dr. Butts on issues re. the Academic Crescent, and clarification on the role of the Capital Plan Work Group in the Academic Crescent, in facilities planning, campus development projects, and quality of life issues.

In a 1/31 response to various memos from the BPC Chair, Dr. Butts confirmed the availability of \$5Mil in funds for deferred maintenance; SUNY recently decided to make these facilities funds available without the need for matching funds. The BPC Chair also sought from the administration the list of "facilities priorities" referred to at Nov. 19th BPC meeting, and previously requested by BPC Chair last fall. (Note: In Summer 2001, the Capital Plan Work Group produced comprehensive reports on prioritized critical maintenance and plant adaptation projects needed by the college; these reports can serve as a valuable resource for pending facilities and capital projects.)

BPC faculty met with the Faculty Senate Executive Committee on February 20. Faculty debated the possibility of an alternate approach to the BPC. The BPC faculty appear to be split 4-3 on how to comply with the February 1st Senate resolution. A few comments have been made that the BPC model currently sought by faculty may be "asking for too much". (Some background is provided on following pages regarding budget/planning normative processes and precedence.)

Some Background on Budget/Planning Normative Processes:

Beginning with the Executive Committee's formal proposal to the Administration in May 2000 [regarding the formation of a new Collegewide Budget and Planning Committee] and throughout the past two years, faculty have been attempting to establish a budget planning process consistent with normative practices in SUNY and higher education, and responsive to the concerns raised by Middle States re. a participatory process with input from campus constituencies. But, as noted in last semester's assessment by BPC faculty, the Budget Planning Committee has not yet been able to function effectively. Budgeting and Planning have occurred outside the BPC - not through it.

The basic requirements of an effective budget planning committee would include:

- representative membership and well-organized structure;
- access to detailed budget information, and two-way communication/consultation with all campus constituencies;
- formal mechanism by which to receive subcommittee reports and make recommendations (either by consensus or vote);
- rational framework for decision making, including comprehensive data analysis, evaluation of trends in the proportionate allocation of resources across divisions, and benchmarking against peer institutions;
- the ability to make formal recommendations on funding priorities, to ensure that planning is linked to budgeting, and to ensure that the allocation of institutional resources advances institutional goals.

Within SUNY, a collaborative and participatory budget planning process is normative. Most of the 29 state-operated campuses, across all sectors, have a budget committee ranging in size from 12 to 24; the majority of these committees are chaired by a faculty member (and often have the CFO as Vice Chair). The typical budget committee in SUNY [and in higher education] includes representatives of all campus constituencies: faculty, administrative staff, support staff (e.g., secretaries, physical plant) and students.

On campuses where both faculty and administration agree that the process is working effectively, the committee has open access to detailed budget information (historical data, all-funds budget data, and data at division and department levels). Effective committees have the ability to set funding priorities for the institution, and are empowered to make recommendations on resource allocation across all divisions.

Effective committees meet regularly (at least monthly, but weekly if needed), and have well-established procedures for voting and/or reaching consensus. More ambitious committees conduct interviews of department heads and directors, and conduct budget hearings several times a year. At these hearings, input is systematically sought from all campus constituencies regarding the college's budget and funding priorities. This input helps frame the budget development process; additional hearings are held to provide progress reports and two-way communication with the campus.

The campus budgeting process has been studied extensively by SUNY System Administration and the Operations Committee. A report on this subject is being finalized for presentation at the April 2002 University Senate Meeting. In addition to a system-wide survey of all CFOs and Campus Governance Leaders, this report also incorporates research findings on best practices in higher education (e.g., the much respected work of Kent Chabotar, CFO at Bowdoin College, Maine, and leader of management development workshops at Harvard University).

Some Background on Budget/Planning Precedence at Old Westbury:

2001

The 2003/2008 Capital Plan Team was charged by President Butts with developing the college's next capital plan, through the collaborative and participatory process developed by the State University Construction Fund. This was an intense planning effort, working continuously from April-August 2001; additional analyses and documents were produced in Fall 2001, in conjunction with SUCF and their consultants (architects and planners). This participatory effort was very efficient, productive, and included input from all campus constituencies.

This enormous effort was successful because the capital plan committee was empowered to do its work. The Committee Chair was empowered to obtain information, when needed, from off-campus sources (including SUCF and their consultants), and to obtain additional research materials, e.g., on asbestos abatement, indoor air quality, energy projects, and campus space inventory. The Capital Plan team effort succeeded in completing a \$100Mil capital plan under a much more condensed time-frame than other campuses. (Note: *If there's a will, there's a way.*) This level of efficiency, and the empowerment of a collaborative and participatory process, has not yet been replicated by the Budget Planning Committee.

1995

In response to the fiscal crisis of 1995 (arising from "Rethinking SUNY"), the Collegewide Budget Planning Committee engaged in an intense, focused, collaborative effort with the Faculty Senate Strategic Planning Committee and the CAP Committee. From May-September 1995, these various groups (with a combined membership of about 30) convened almost weekly to develop a rational plan to absorb the pending \$1Million reduction in the college's operating budget. The faculty members on the BPC participated fully in all information gathering, analyses and planning, including the detailed review of budgets and operations for all division and functional areas, and including extensive interviews with department heads, directors and physical plant staff.

As a result of this well-coordinated, open and inclusive process, the Strategic Planning Committee and the BPC were prepared to present to the President a budget that would have met the \$1Mil reduction target through a combination of: administrative restructuring, operational efficiencies and attrition (through an Early Retirement Incentive package offered by SUNY in 1995-1996). As some of you may recollect, the president at the time had a different "agenda", and chose to disband the BPC rather than receive its report. So although an intense [and ultimately ill-fated] collegewide effort produced a strategic plan to meet the 1995-1996 budget reduction through attrition, restructuring and efficiencies, the president opted instead to retrench performing arts and other academic programs. This action resulted in a vote of no confidence against the president, in the area of budgeting and planning.

In view of current BPC operations, is not the size of Old Westbury's BPC which presents a problem. At 18 members (2 of whom serve ex officio), our BPC is mid-range. Nor is a collaborative and participatory effort, at this point in time, "expecting too much". Although such a budget planning model is not required in SUNY, it is found to be normative and has long been recommended by Middle States. Additionally, there is precedence for collaborative and participatory efforts at Old Westbury, e.g., in the concerted efforts of the 1995 Collegewide Budget Planning Committee/Strategic Planning Committee, and in last summer's capital planning effort. The underlying issue is not the "concept" or the "structure" of the BPC model sought by faculty governance, but rather whether there exists the *will* - on the part of administration - to engage with faculty in a collaborative and participatory process.