

## University Senator Report November 15, 2002

This report summarizes the University Faculty Senate Fall Plenary Meeting at SUNY Purchase, October 17-19, 2002. It includes summary of reports by the Chancellor and other SUNY officials, highlights of Committee reports, and materials distributed during presentations by Senate Task Force on Rational Fiscal Policy, and report on the Campus Budget Process.

### 1. Report of Senate President (Joe Hildreth)

University Art Series: The Senate President worked with the Chancellor's office on a project to display artworks by SUNY students in the Gallery of SUNY Plaza (System Administration Bldg.). The student art exhibit is scheduled throughout Fall 2003. For each SUNY campus with an Art Department, there is a one-month display of five selected pieces.

Website ([ufs2.no-ip.org](http://ufs2.no-ip.org)): University Senate Website is creating discipline-specific message boards. The Senate plans to post Minutes of Plenary Meetings and Senate Committee reports. The first report to be posted will be Operations Committee report on the Campus Budget Process. Joe is working with the Research Foundation to get external funding for University Senate to subscribe to national database that matches faculty interests with funding sources.

Transfer Initiative: Joe reported that 50% of Community College pursue a 4-year degree, but only 25% of these students go to a SUNY campus. Why such a small proportion? A Task Force has been formed by Senate Executive Committee to study this issue.

Four Principles: consultation, communication, respect, equality. (Senate President is focused on efforts to ensure that University Senate is actively engaged in issues critical to the university.)

### 2. Address by SUNY Trustee Randy Daniels (Vice Chair)

Trustees have a standing invitation to address the University Senate. Daniels spoke about his journalism career and experiences as CBS Africa Bureau Chief. He said education is his passion. He considers key issues for SUNY to be access, diversity and funding; high standards are imperative. To be a great university, he believes that SUNY needs more students from around the world. He cited a national trend in decreased state funding of public higher education; SUNY must adapt and look beyond the public treasury. Daniels said SUNY is going through a period of transformation.

In response to several questions on state support, Daniels did not specifically address the decline in state support of SUNY's operating budget, but pointed to 44% increase in indirect state support and alternative funding since 1995, and \$2.4Billion in capital improvements. He said resources are limited and other priorities (such as health care, affordable housing, K-12) compete against SUNY for state funds. He said research generates new industries, and cited Centers of Excellence as a means to leverage public dollars with private ventures. In response to a Senator's comment that NYS ranks 50<sup>th</sup> in public tax support per capita for higher education, Daniels responded that he doesn't agree with that approach to counting the state contribution. He cited the new reality of September 11<sup>th</sup>, and referred to \$7Billion in lost revenues this year. Next year may be worse; it is not reality to think that more money for SUNY will come from the General Fund.

Daniels said he believes in shared governance, and wants to gain a greater appreciation of faculty concerns. He expressed shock at salary levels of full professors and college presidents. In response to several questions from the floor about Trustees' mandate for General Education, Daniels said that upon reflection some things may have been done differently. He said he will advocate for resources to make GenEd more effective. A Senator commented that the GenEd mandate represents a lack of respect for faculty - in their commitment to quality in curriculum. Daniels responded that it is not the right of a Board member to dictate content of curriculum, but Board has a statutory role to define broad policy.



### 3. **Chancellor Robert King (luncheon speaker)**

Budget woes: NYS budget shortfall next year may be \$5-10Billion. Funds for 2003/2008 Capital Plan are not yet appropriated. The next few years will be very difficult. This year SUNY has record headcount of 402K (including community colleges). Continued growth in SUNY (e.g., FTE, programs, campus facilities) is not possible without additional resources. Campus presidents are expected to be entrepreneurial and to be successful fund raisers. SUNY needs to diversify its funding streams. Campuses need to increase levels of external funding.

Centers of Excellence: SUNY Centers of Excellence are currently funded at \$900Mil. Most of these funds come from business/research collaborations. King cited a new effort involving joint collaboration of public and private education for benefit of all NYS (this is very preliminary).

SUNY Strategic Plan: King reviewed the ongoing strategic planning process. In response to a request from the University Senate last Spring, faculty from across the system were appointed to each of the ten planning initiatives. (Dolan from Old Westbury was appointed to SUNY initiatives on resource development, rational fiscal policy and energy planning.)

Neil Levin Institute for International Studies: During question and answer session, a number of Senators expressed concern about the creation of Neil Levin Institute. King said this new center for International Studies was being funded privately, like the Rockefeller Institute, and would not be competing for SUNY funds. Senators from various sectors expressed the view that consultation with faculty and Senate should have occurred at the outset. King responded that no academic or curricular matters had yet been discussed, and that he is now asking for faculty involvement.

### 4. **Budget Update (David Demarco, Associate Vice Chancellor, Resources and System Planning)**

SUNY Financial Plan for 2002/2003 now in place. Core Instructional Budget (operating budget) totals \$1.8Billion, of which \$1.1Billion is funded through state tax support and \$.7Bil through tuition revenue. Indirect state support (for debt service and fringe benefits) totals \$.8Bil. Community colleges received another \$1Billion. An additional \$2.4Million was appropriated systemwide (through UUP) - to provide money for new faculty and for additional compensation of current faculty - but most campus presidents used this money for new hires.

All but 4 campuses are participating in this year's early retirement incentive. The incentive incurs a cost to campuses in the first year - equivalent to a maximum 45% of salary - but in subsequent years campuses achieve savings if they opt to replace retired employees with new hires at lower salaries. The exact mechanism for this is still evolving. Campus presidents have the latitude to apply retirement incentive just to individual departments.

A past Senate President expressed concern about growing gap between administrative and faculty salaries. Other Senators also commented that there seemed to be a proliferation of administrative positions - with these higher salaried staff consuming a larger share of campus resources. DeMarco responded that the Operations Committee has been asked to look into this matter. As liaison to committee, he's assisting with data collection and analysis.

Demarco indicated that in recent years System Administration has been conducting quarterly reviews of campus revenues and expenses to make sure that campuses are "on track". He said campuses "need to live within their means". Not all campuses are. Demarco stressed the importance of aligning - both at campus and system level - enrollment planning with available resources. Over the next few years, the "BAP" model will probably undergo some changes. Enrollment growth is not feasible without additional resources; this impacts access. Maintaining and/or improving quality also requires appropriate levels of funding. Senator Miller (SUNY's Chief Operating Officer) noted high school demographic trends - that most growth in SUNY's potential student population will occur in the NYC area. He said this trend must be considered by SUNY in building its facilities capacity.



## 5. **Provost Report (Don Steven, Associate Vice Provost)**

Stevens mentioned a Faculty Development committee that is getting underway; most of his report dealt with General Education. All but a half-dozen campuses have submitted completed plans. Stevens referred to "bipolar" plan submitted by Trustees and said it's time to move on. The Provost's Office wants to "get out of the business" of adjudicating any problems with general education. All decisions on general education will devolve to faculty. Membership of ACGE (Advisory Committee on General Education) is as yet unresolved; he acknowledged sense of the Senate that faculty must predominate on ACGE.

According to Steven, Provost's Office would only raise a flag regarding courses that need further review, by ACGE, beyond the campus level. There would be 99.94% local control of GenEd; only "outliers" would be flagged. In response to questions on how/why some courses would be flagged, there are as yet no clear guidelines. He assumed outliers would be fairly obvious, but did not elaborate. Referred to concerns raised by faculty across SUNY that learning outcomes (specified by Trustees) in math and history are actually outcomes at high school level. He said these concerns will be addressed.

## 6. **Task Force on Rational Fiscal Policy (attachment)**

In response to Resolution passed at Spring 2002 Plenary meeting, the University Senate established a Task Force to address issues of declining state support of SUNY, tuition policy, and the need for predictability, consistency and stability in the funding of public higher education in NYS. The Senate President appointed Task Force Co-Chairs Ram Chugh (Distinguished Service Professor, Potsdam) and David Demarco (Associate Vice Chancellor, Rescues and System Planning). Steering Committee comprised of Task Force Co-chairs, Senate President Joseph Hildreth and Maureen Dolan (University Senator, Old Westbury). Task Force membership includes faculty from various SUNY sectors and staff from SUNY budget office and Institutional Research.

Historical funding data was studied for both state and national levels. A key issue is decline in NYS tax support of SUNY - both in constant dollars and as a proportion of state budget. The decline since mid-1980's is more pronounced in New York State than national trend. In NYS, support for public higher education has fallen from about 5% of state budget to 3%. State support has shifted from direct support of Core Instructional Budget to Indirect Support (fringe benefits and debt service). Tuition is subject to dramatic and unpredictable spikes; many campuses are increasingly relying on higher fees, which are not reimbursable under TAP. An increasing share of SUNY's operating budget is covered by students (tuition and fees) and campus-generated revenues. Both access and quality are seriously impacted by NYS's current mechanism of funding SUNY.

Attached is summary of key issues and preliminary recommendations. Feedback is requested.

## 7. **Report on the Campus Budget Process (attachment)**

The University Operations Committee undertook a study of campus budget process. M. Dolan was enlisted to develop, distribute and analyze a survey of all SUNY campuses. Detailed findings are presented in final report. (Preliminary findings and statistical analyses were presented in 2001/2002.) There was a 86% response rate of SUNY campuses, with equal response rates of faculty and administration respondents (i.e., Campus Governance Leaders and Chief Financial Officers). The survey finds tremendous variation in budgeting processes across the system. About 40% of campuses have a well-functioning process, 25% have a process in flux, and 35% of campuses have unsatisfactory process in serious need of improvement.

Resource allocation decisions made at the campus level are especially important in times of constrained resources. Following the detailed statistical analysis of survey findings, a summary of Best Practices was compiled. A preponderance of evidence points to the effectiveness of *participatory* budgeting. In SUNY, Best Practices in campus budgeting share 12 elements; principal among these is the existence of a campus budget committee, with faculty predominating and with membership that is representative of campus constituencies.



Effective budget committees meet frequently, have formal procedures for voting and making recommendations; solicit input from and regularly communicate with the campus community. The effectiveness of campus budget processes is a function of data: the type of data, specificity and completeness of data, and ease of access to data. The effectiveness of campus budget process is also a function of the activities engaged in by campus committee. The most effective budget committees engage in all-funds budgeting, make specific recommendations on funding priorities, and align budgeting and planning through integration of several types of planning activities.

I'm providing the Faculty Senate Office with a copy of the report, as well as a separate copy of the Executive Summary and Best Practices - which I ask be distributed with the Minutes of today's Senate meeting. The report has been endorsed by the University Senate and posted on their website. The Chancellor's office has distributed the report to Campus Presidents. Additional hard copies are being distributed, including to campus governance leaders, student government presidents, chief financial officers, campus libraries and university committees.

#### **8. Sector Reports (attachment for Comprehensive Colleges)**

Senators from across SUNY indicated serious concerns about the budget, ongoing concerns about GenEd and unfunded mandates, and concerns about proportion of campus resources allocated to expanding administrations.

#### **9. Committee Reports**

##### **Awards Committee:**

Considering a Chancellor's Award for Excellence in Service. Looking into possibility of DTP and DSP rank contingent upon Chancellor's Award in same area.

##### **Governance Committee:**

Collecting faculty bylaws from each campus; compiling principles for governance. On issue of faculty serving on Boards (e.g., Auxiliary Services, College Foundation, Alumni Assoc.), there is no requirement in SUNY that appointments be made by campus presidents; on some campuses, faculty on Boards are elected by governance.

##### **Graduate and Research Committee:**

Conference in NYC (April 11, 2003) - "The Impact of Funding Sources on the Direction of Research". Will work with Operations Committee to study how campuses distribute overhead dollars generated by research.

##### **Operations Committee:**

Preparing a report on trends in staffing levels and salaries for various groups of SUNY employees (e.g., faculty, academic support staff, management confidential staff, M&O staff). Preparing a report on trends in SUNY graduate, by major, and labor market needs in New York State. In process of updating Budget Handbook; this will incorporate information on Best Practices from final report by M. Dolan on Campus Budget Process.

##### **Public Information Committee:**

Will post Senate committee reports and minutes. University Senate has new temporary website: [ufs2.no-ip.org](http://ufs2.no-ip.org)

##### **Undergraduate Committee:**

Possible Fall 2003 Symposium on Assessment, in conjunction with Faculty Council of Community Colleges. Looking into opportunities for study abroad; European credit transfer system is an attempt to standardize.

##### **Campus Governance Leaders:**

Task Force appointed by Senate President to address issues on improved coordination between University Senate and local governance. Identified issues of mutual concern: General Education, Assessment, Program Review, Teacher Education, Transfer issues, budget and resource allocation.

*Respectfully submitted by Maureen Dolan  
University Senator, Old Westbury*