University of Idaho  
Faculty Senate Meeting Minutes  
2018-2019 Meeting #11, Tuesday, October 30, 2018

Present: Benedum, Brandt (w/o vote), Bridges, Cannon, Caplan, Chopin, DeAngelis, Dezzani, Foster, Grieb, Jeffrey, Johnson, Keim, Kern (Coeur d’Alene), Lee, Lee-Painter, Luckhart, McKellar (Idaho Falls), Morgan, Raja, Schwarzlaender, Seamon, Tibbals, Vella, Wiencek w/o vote). Absent: Ellison, Kirchmeier, Laggis, Lambeth, Watson. Guests: 6

Call to Order and Minutes. The chair called the meeting to order at 3:31 p.m. A motion to approve the minutes (Seamon/Foster) passed unanimously.

Chair’s Report:

- The UI College of Engineering Grand Challenge Scholars Program will be featured at the Lunch and Learn program at the Integrated Research and Innovation Center this week. The event will be on Thursday November 1, at 1:00 pm at the IRIC. The Great Challenge Scholars Program is a multi-faceted curricular and extra-curricular program designed to prepare students for 21st Century engineering challenges.
- Annual benefits open enrollment for 2019 is underway and will run until midnight PST on November 6, 2018.

A senator noted that a link to the Talking Points (TPs) was published in The Register. He asked whether senators should continue to forward the TPs to their constituents. Secretary Brandt explained the inclusion of the TPs in The Register was part of an effort to make sure that staff at the university, many of whom are not part of a college, are able to read the TPs. She stressed that Senators should continue to distribute them because it is much more likely that faculty will read items forwarded by a colleague than more general communications. Vice Chair Grieb also pointed out that distributing the talking points provides faculty and staff in the colleges a point of contact with senate. Chair Johnson stated that distribution of the TPs by senators facilitates good communication.

Provost Report: The provost stated that he had come to the meeting from the Cultural Literacy and Diversity Symposium. He also gave kudos to the College of Law for its recent successful Bellwood Lecture with former Secretary of Homeland Security Michael Chertoff. He commented that Chertoff was the most recent in a number of excellent speakers at the university.

The provost also updated senators on the ongoing work of the Institutional Planning and Effectiveness Committee (IPEC). The committee continues to examine improvements in the process of Program Prioritization (PP). The provost reiterated what he has said several times previously, that PP is a process required by the State Board of Education (SBOE). IPEC is putting together a new framework for PP. A subcommittee, Re-Engaging Another Program Prioritization (REAPP), chaired by Dean Ali Carr-Chellman, was tasked with proposing revisions to the process. REAPP presented its recommendations to IPEC last week. REAPP has recommended a rubric for evaluating programs based on their cascaded strategic plans. These evaluations would be conducted by a small group rather than through broad surveys. Simultaneously, Vice Provost Cher Hendricks has been leading an effort to revise our process of program evaluation – also required by the SBOE. After clarifying the SBOE’s expectations for program evaluation, the UI has determined that review by external visitors is not required and is thus focused on developing an internal program evaluation process. After discussing VP Hendricks’s process and reviewing the recommendations of REAPP, it has become clear that the PP process and the program evaluation process should be coordinated. The discussion of how to accomplish this continues. IPEC is focused on two larger questions – how to collect the data and narrative needed to support the evaluation and, more difficult, how to best evaluate the data.
Provost Wiencek also explained that while the SBOE has mandated PP, it has not required that the process be undertaken every year. Rather, the board expects an annual report of progress. He is comfortable that UI’s work to evaluate our initial effort and to coordinated program evaluation and PP will satisfy the board’s expectations. The SBOE has PP in policy and expect us to do it. They want annual reports about where we are. Wiencek also offered a preview of Vice President Brian Foisy’s upcoming presentation regarding the budget. He stated that it is natural that the process of financial reallocation should look to the results of PP. However, he stressed that reliance on the results of the last process will only be at the vice presidential and college levels. The college deans and the vice presidents will be making the decisions about how to reallocate funds within their areas and colleges.

The provost reported that a consulting firm – Huron Consulting Group – has been retained to examine the opportunities to leverage efficiencies in the operations of the various four-year institutions in Idaho. This group is currently visiting campus. It will be looking at whether processes such as Information Technology, Administrative computing software (Banner) and/or advising and teaching support systems (e.g. VandalStar and BBLearn) can be centralized. The SBOE is engaged in this effort to reduce expenses and reallocate funds to scholarships.

Finally, the provost reported that he will be taking a family vacation to Vietnam in the near future. He added that his wife was born in Vietnam and has never returned since emigrating.

Establishing Institutes and Centers. The chair reminded senators that questions about institutes and centers arose at the retreat. In response, senate leadership invited Associate Vice President Bradley Ritts to discuss this topic with senate. AVPR Ritts is also new to the university and will also give an overview of his role.

Ritts provided basic information about his background. He has worked both in academia and in industry and is a geologist by training. Throughout his career, even in industry, he has been engaged with university research. He hopes to serve as a liaison between the university and the private sector on research issues. Ritts moved to the Palouse from the San Francisco area.

Within the Office of Research and Economic Development (ORED), Ritts has two primary responsibilities. First, he works with faculty and others to increase the scope and impact of research and creative activities at the university. Second, his responsibility is to ensure that his office runs well and is supportive and effective in advancing UI interests. He has taken over responsibility for some of the more “growth-oriented” aspects of ORED’s operations including tech transfer, faculty development, and supporting research entities.

Regarding UI’s research entities, Ritts discussed a new process for approving, supporting and reviewing such entities that was adopted by the Research Council last year. Ritts’ philosophy that such entities are a way of highlighting the strengths of the university. The new process classifies research entities into three different levels. The levels are not a progression but, rather, are based on the different scope and reporting process for entities. Level I entities normally exist within a college. Level II entities involve more than one college. Level II entities normally cross disciplinary lines and draw from multiple units, external agencies and institutions. No matter the level a dean and ORED must approve the creation of the research entity. The guidelines establish a process for approval which Ritts is implementing. The guidelines also call for periodic review of research entities at least every five years. Ritts believes the review process will assist research entities in bringing people together and maintaining focus.

Ritts concluded his presentation by promoting the “Short and Sweet Research Talks” sponsored by ORED. These talks are important to building an interdisciplinary research community.

University Finances. The chair introduced Vice President Brian Foisy. Foisy presented the first part of his talk on university finances at Senate Meeting #10 on October 23, 2018. Foisy reviewed the information he presented previously indicating that the UI has a $2.1 million structural budget shortfall that has resulted from
overly optimistic estimates of enrollment over the past ten years. Last year, rather than further reallocating funds from colleges and administrative units, the shortfall was covered by the provost using one-time funds. While this allowed the university to continue its existing budgeting priorities for the coming year, it did not solve the structural problem. Unless the university adjusts its spending, it will continue to spend one-time funds to cover the structural deficit. Foisy likened the problem to a worker who had a job that paid $60,000, lost the job and found a new job that paid $50,000. If the worker has $10,000 in savings those can be deployed to cover the difference in salary so the worker does not have to change her spending habits immediately. However, once the worker exhausts the savings, the worker will be faced with adjusting spending to respond to the new reality that her income has been reduced. Foisy stressed that the university’s decreased tuition revenue has continued for long enough that we must reallocate base budgets rather than continuing to hope that enrollment will increase.

Foisy presented two groups of recommendations -- one for FY19 and a second for future years beginning in FY20. First, Foisy stated that we could take three approaches to project tuition revenue: 1) the university can assume that our current situation is a “new normal” and project that our revenues will be relatively flat for the coming years; 2) it can assume that the decrease in tuition revenue is a temporary situation; or 3) it can assume that the downward trend in tuition revenue will continue. Until now the assumption has been that the drop in tuition revenue is temporary. However, given the length of time the decrease has persisted, Foisy stated that we should assume that, for budgeting purposes, the decrease is long term and that we are in a period of relatively flat enrollment growth. Based on the assumption of flat enrollment growth, the institution has committed to the development of a new budget model. Foisy created a finance committee to develop a new budget plan. One of the most important conclusions of this group is that budget adjustments should be pushed out to the UI community once and that piecemeal efforts to balance the budget temporarily should be avoided.

It is too late in the process to change the FY2019 approach to budgeting. Thus, the FY19 deficit must be dealt with through one time funds. Changes in base budgeting will be implemented for FY20.

A senator asked why the focus of the budget discussion was exclusively on general education funding. She asked whether other categories of funds such as Facilities and Administration (F&A) recovery from grants could be used to address the shortfall. Foisy responded that he would address this issue further in his presentation. He also explained that college and university accounting involves the management of thousands of individual accounts. Many of these individual accounts have restrictions and dedicated purposes. For this reason, it is difficult to utilize such funds to meet general budgeting priorities. The senator followed up asking whether some of the individual funds might overlap some of the general budget needs and be used, within their purposes, to meet such needs. This might alleviate pressure on the general education budget. Foisy did not believe such overlaps exist. He used several familiar dedicated funds as examples including funds collected from student fees to operate the Student Recreation Center or funds dedicated from central F&A for debt reduction on facilities such as the IRIC.

In addition to the structural tuition revenue deficit, Foisy also indicated that several of the priorities identified by the University Budget and Finance Committee (UBFC) have been identified as urgent. These projects total $2.9 million for FY19. When these urgent priorities are considered, the total budget shortfall for FY19 is $5 million.

A senator asked how the urgent UBFC projects were identified. Foisy reviewed the UBFC process and estimated that there had been 90-100 requests in the cycle. Last year the committee rated the requests as recommended or not recommended. The President’s Cabinet examined the recommended requests and ranked several as urgent. The senator followed up asking whether unit administrators had been involved in identifying the urgent requests. Foisy responded that deans were asked to provide input. Some deans participated, and others did not participate. The senator responded that he would have liked the process of identifying urgent requests to be more transparent and to include more faculty input. Foisy responded giving examples of the urgent requests. The largest request was for $700,000 for marketing and communications. Currently the university
has no marketing budget. We support the staff who create marketing, but do not have a budget for actually placing our marketing. We provide funding to get our marketing out to the public on an annual one-time basis. The judgment was that funding marketing was an urgent priority. Every vice president supported this priority. The faculty secretary reminded senators that since the current UBFC process was created, the university budget process has responded to and been able to fund the highest priorities identified by faculty.

In addition to marketing, other priorities included funding a big request from the Library – 400k to salvage existing library subscriptions.

FY19 budget reductions will be largely based on ability to pay. The committee discussed whether budget reductions should be based on the size of existing base budgets. Foisy did not believe this would be appropriate. Some units have good reasons for not having any carryforward funds to meet a reduction based on base budgets. For example, the College of Law expanded in Boise with no new infusion of funds. The understanding was that this expansion would result in deficits in the Law budget that would be resolved over time. If reductions are based on base budget, Law would not be in a position to manage such reductions. The plan is to look at existing general education carryforward balances as of FY18. There is a strong relationship between carryforward funds and the university budget shortfall. At some level, these funds were made possible by the university’s optimistic tuition projections and the fact that unit budgets were never adjusted when projections were not met. If base budgets had been adjusted five years ago, many of the general education carryforward funds would not exist today. The decisions as to how to specifically meet the reductions will be made at the vice-presidential level. There will not be a mandated reduction on general education carryforward budgets. Rather, each vice president will have the ability to determine how to allocate reductions. The provost will work with deans to make these determinations within academic affairs. The reductions will be made based on June 30 year end balances.

In FY20, the university will implement base budget reductions. The amount of the base budget reduction is likely to be slightly larger than the FY19 shortfall. This is because the university is expecting to have more tuition waivers as interest from students in other states in the Western Undergraduate Exchange (WUE) continues to grow. Foisy estimates that the FY20 base budget adjustment will be approximately $3 million, plus projects identified by the UBFC. He expects that this will include permanent base funding for marketing. The total will likely be approximately $5 million.

Finally, as part of the base budget adjustments, Foisy proposes that the university create two additional funds. His estimates for the cost of these funds are purely estimates.

1. **Enrollment Contingency Fund.** The university must move away from a budget approach where every dollar is committed. This leads to the situation we are in where any flux in revenue leads to shortfalls and the need to make mid-year reallocations and adjustments. Because tuition revenue is the most unpredictable part of the UI budget, Foisy recommends that the institution create a contingency fund as part of the regular budgeting process that would be available to cover idiosyncratic ups and down in tuition revenues. This would provide a buffer that would help eliminate the need for holdbacks and gain-sharing.

2. **Presidential Initiatives.** Foisy also recommends that the university create a budget to fund presidential initiatives. He believes this is necessary to make our presidency an attractive position. Otherwise, the new president will have no resources to move forward new initiatives. Foisy pointed out that the budget in the President’s area was particularly hard hit by the PP process.

If these two recommendations are added to the budget, Foisy estimates that the total base budget adjustment in FY20 would be $9 million.

Regarding timing, Foisy stated that the plan for implementing base budget reductions must be finalized between now and the end of January 2019. The FY20 budget will be developed during February and March.
2019 and will be implemented on July 1, 2019. The plan will likely utilize existing planning processes such as PP as a basis for implementing base reallocations. Foisy indicated that the differences at the college and VP levels between relying on the percentage of base budget versus PP were not significant. He pointed out that the academic affairs area fared well in PP and that finance and administration and the president’s areas fared the worst. Even so, within the overall budget of $180 million the differences in reallocations between the two approaches was most often less than $100,000. He also reiterated that the budget decisions will be made at the level of the vice presidents and not at the unit level.

Foisy also addressed some additional steps he recommends as part of the budget process. He would like to implement a strategic staff hiring plan similar to the faculty plan being implemented by the provost. He also plans to articulate some “guiding principles” regarding the budget process aimed at eliminating holdbacks and gain-sharing.

He is planning university-wide open forums in the coming weeks to provide opportunities for input and information sharing. In answer to a question from a senator, he stated that these would be available via Zoom at all UI locations throughout the state and would be recorded and posted online.

A senator asked for clarification of whether “Y” accounts are general education accounts. Foisy responded that general education accounts are “X” accounts. Y accounts are not general education funds, but rather are dedicated local funds from course and lab fees, F&A and other income generating activities. Theoretically the institution could shuffle the funds from Y accounts to X accounts because Y accounts are not technically restricted. However, Foisy stated that doing so would be a very aggressive approach that could raise serious questions since the monies in Y accounts were collected for particular purposes. For example, students paid lab fees on the belief that these funds would be used to support the lab. Foisy stated that across the university there are $20 million in general education carryforward funds. At this time there is no need to consider other types of funds to meet our budget priorities.

A senator pointed out that some faculty have acquired salary savings to keep their labs operating. He stated that these funds have helped enhance our research efforts. He expressed concern that such funds would be subjected to reallocation. Such an approach would harm our research efforts and breach a contract with faculty who have managed these funds. Foisy responded that considering these types of situations is one of the reasons the reallocation decisions will be made by deans and VPs. These individuals are familiar with the specific situations within their colleges and areas and are in a better position to consult with units and make strategic decisions regarding reductions. He gave an example from his area. UI must replace the trailer used by facilities to transport wood chips to campus for the heating plant. Facilities has been saving money to fund the replacement. Foisy plans to replace that trailer and make reallocations from other portions of his unit.

Provost Wiencek emphasized that while the university will strive to manage and reduce the impact of reallocation, we cannot let the perfect be the enemy of the good. The institution is paying for ten years of not managing this issue. He stressed that increasing enrollment is one way to address the issue. He encourages faculty to work together to implement the new budget plan and support enrollment growth efforts.

**Adjournment.** The time for the meeting having approached, a motion (Keim/Morgan) to adjourn passed unanimously. The meeting was adjourned at 4:59 p.m.

Respectfully Submitted,

Liz Brandt, Faculty Secretary &
Secretary to the Faculty Senate