Report from the University of Northern Iowa Budget Committee

To the UNI Faculty Senate

March 21, 2011

Introduction

In the Fall, the University Budget Committee met for the first time in a number of years to discuss how our committee might assist the Faculty Senate with regard to the myriad of issues connected to the budget of the university. Initial discussion centered on three questions: (1) what was the university budget process, (2) where could faculty find the process to become familiar with how to be engaged in it and (3) were there clear links in the budget process permitting faculty direct input into decisions about resource allocations across campus. In November, upon discovery that the university budget process was unavailable on the UNI website, the University Budget Committee requested a copy of UNI’s budget process from UNI Vice President of Finance, Thomas Schellhardt. In January, Mr. Schellhardt graciously provided a copy of the attached university budget process and indicated it be a work in progress. In addition, he stated that there are plans to have the budget process accessible on the UNI website in the near future. Upon receipt of the current budget process, the University Budget Committee met in February to discuss this new information, consider ways whereby the Faculty Senate can provide approval of the university budget, and to formulate this report of our findings for the Faculty Senate’s consideration.

Observations Relating to UNI Budget Planning Based on the

Current UNI Budget Planning and Development Document

The present UNI planning process includes helpful information on the business planning cycle [when budgets are developed, approved, executed and final funds appropriated], the three different funding sources [state general fund, general education fund, and restricted funds], but is virtually silent in terms of the role faculty play in providing input, reviewing, recommending, helping to approve and overseeing budgets here at UNI. Attached is a copy of the 1972 AAUP Statement of Principles on The Role of the Faculty in Budgetary and Salary Matters, which may provide direction to the matter of faculty involvement in a university’s budgetary process. The statement in the section entitled, “ Faculty Participation in Budgeting” calls for the active involvement of faculty “in the preparation of the total institutional budget and (within the framework of the total budget) in decisions relevant to the further apportioning of its specific fiscal divisions (salaries, academic programs, tuition, physical plant and grounds, and so on).” Based on these principles, it would appear that UNI faculty need to be much more directly involved in budget preparation and decision making, not just in the areas of academic funding, but also in those areas ancillary to academics that bear on the core mission of the university. In reviewing the current UNI budget planning document, it would appear that most budget planning, approval and allocation occurs at the level of the President’s Cabinet, but there are no faculty representatives in the Cabinet. In addition, if faculty are to be able to provide input on budgetary matters, they must have information as budgets are recommended, approved, allocated revised, and then reviewed during and at year’s end. In order for these communications to take place, it would appear that better information needs be available on the website; a faculty committee, such as the University Budget Committee would have to be participating in UNI’s budget deliberations throughout the year, and a Faculty Senate representative would need to be involved during the final budget allocations at the end of the fiscal year. For example, faculty should be involved in any final allocation of surplus funds not recognized in the budget, any allocation of general funds to support activities run on a deficit, and any re-allocation taking place in the middle of the year due to a reduction in state appropriation.

Conclusion

The University Budget Committee is gathering materials related to best practices in the area of faculty involvement in university budgeting. We will continue to gather information on this topic. However, we await your reply on how we should proceed in helping to improve the university budgeting process here at UNI in light of this report.