

University Senate Budget Committee (SBC)

Final report to University Senate 2013-2014

This report reflects activities of the SBC in its old and reconstituted (by Senate legislation US13/14-14) forms.

Charge and Responsibilities of Senate Budget Committee:

Defined by UO Senate Bylaws:

“5.4 The Senate Budget Committee is charged with informing itself and the University Community about University financial matters. It shall advise the University President, other University administrators, the Senate President, the Senate and the University Community on budgetary policy and long-term financial strategies. The University Administration shall provide all financial information requested by the Committee in a timely fashion. The Budget Committee may initiate the study of financial issues. The Senate Budget Committee shall make recommendations to the Senate for Senate action.”

Membership:

John Chalmers, Finance (Chair); Paul Dassonville, Psychology (Senate Liaison); Angie Davis, Accounting; Tim Duy, Economics; Ali Emami, Finance; Marina Guenza, Chemistry; Sara Hodges, Psychology; Van Kolpin, Economics.

## 1. Introduction

At the outset, we set forth the SBC's view of itself and the roles it should play going forward. The SBC serves dual roles. First, we provide a sounding board for the Finance and Administration office. We have agreed that we are available to be helpful to the UO Administration and will respect the requests of the administration to maintain confidentiality of the information provided to us in the role of sounding board. We also agreed that our participation in that process should be conveyed to the UO Community in a manner consistent with this role. That is, we are willing to receive information and offer *ad hoc* reactions to it, but our involvement does not provide any sense of approval of administrative decisions.

In our second role, we serve ready to fulfill our charge from the Senate to help provide a better understanding of important financial issues that affect the university. This role will have a continuing reporting/educational component and a special projects component.

- a) The continuing reporting / educational component will include participation in Senate Town Hall meetings (with the first planned for fall 2014) for educating the university community on financial matters, and a regular report on the budget with explanations of the budget model under which we operate.
- b) The special projects component of our charge would include in-depth projects and reports, most likely carried out by specialized sub-committees, to study and make recommendations on particularly important budget related campus issues.

- i. We envision that we will select these types of projects in consultation with the Senate President.
  - ii. These projects will hold relevant information in confidence until projects are complete and approved by the SBC for distribution.
  - iii. The selection of subcommittees to carry out these projects will be coordinated by the SBC and may include members from outside of the SBC to ensure that appropriate expertise is represented on the subcommittee.
2. SBC activities in 2013-2014 Academic Year included:
  - a) In January the SBC served as a sounding board in two meetings with the Athletic Department, the President and the SBC. We were given a presentation regarding the expenses that the athletic department incurs, the revenue that it generates, and what it perceives as its capacity to modify operations so as to pay a larger share of line items that relate to athletics. The presentation also included data related to athletic department subsidies at peer institutions. At the end of the presentation there was a round table discussion regarding our individual thoughts on the extent to which UO athletics is or is not receiving a net subsidy relative to our peers. We concluded that assessing these complicated issues would require a thorough study by a specialized subcommittee. We recommend the creation of such a sub-committee below in 3b.
  - b) We provided feedback on changing the parameters in the New “New” University Budget Model (e.g., changing the weight but retaining undergraduate majors and degrees awarded as components in the equation).
  - c) We provided feedback on how the administration budgets for research space on campus and how overhead rates should be related to royalty funds.
  - d) We met with the Senate Executive Committee during the year to discuss Senate Legislation US13/14-14 that eventually changed the composition of the SBC.
  - e) Changes in the composition of the SBC mandated by the Senate led to the inclusion of two new members elected from the members of the Senate (Ali Emami and Paul Dassonville). Paul Dassonville was elected to be our liaison to the UO Senate.
  - f) We met with Karen Levear, the Director of Treasury Operations. She provided an introduction to the new treasury functions being taken on by the UO from OUS.
  - g) We discussed creating a subcommittee to study the budget for the office of the Vice President of Research & Innovation. We invited Peter von Hippel to our meeting to provide his perspective on the reasons that such a study could be useful. We learned from Brad Shelton, Interim VPRI, that the Research Advisory Board (RAB) is working on a similar report. While we determined that an SBC sub-committee would be duplicative at this time, we discussed three issues concerning the RAB.

- i. There was concern expressed that the RAB reports directly to the VPRI, which may pose a conflict of interest as it studies the budget of the VPRI office. Shelton reported that there is a plan to alter the RAB's reporting structure. As recommended in the [RIGE Review Committee Report of February 14, 2014](#), the RAB will formally report to the Provost, while working closely with the VPRI. The SBC viewed this news positively.
- ii. We discussed the membership of the RAB and support was expressed for potential changes going forward that are recommended in RIGE Review Committee Report. We recommended that a member of the SBC be placed on the RAB, to provide a conduit through which budgetary matters can be relayed.
- iii. We discussed delaying difficult-to-reverse budget cuts, devised during the final months of the previous VPRI, to provide time to assess those decisions.

After we receive and review a copy of the RAB report on the budget of the VPRI office, expected early in the next academic year, we will reassess the need for an SBC subcommittee.

- h) We were provided with a high level overview of the budget – including information about our revenue sources and expenditures.

### 3. Next Year's Possible Activities

For the coming year, the UO Senate calls for the addition of two new members (both Tenured faculty members, and preferably at least one from the humanities) to be elected from the Senate, and one member to be appointed by the Senate President. Issues to be considered for study next year include:

- a) Understanding the New "New" University Budget Model.
- b) The creation of a subcommittee to assess opportunities for financial collaboration between Athletics and Academics.
- c) Review the RAB report on the VPRI budget and reassess the benefits of a SBC subcommittee.
- d) Review policies planned for evaluating capital projects that require the use of bonded debt.
- e) Review plans for issuing bonds.

We thank Jamie Moffitt, Brad Shelton, and Kelly Zimmerman for their hard work and participation that makes this important committee work. Thanks also to Margie Paris, outgoing Senate President, for her work on the SBC.