

## Notes Shared Governance Forum—Tuesday, April 11, 2017, 3:00 pm in Russell 300

*What is the Budget Process and How Can We Make It Better?* (topic chosen by the Faculty Senate)

**Attendance:** approximately 30

### **Documents used at the Forum:**

1. [Forum on Shared Governance](#) (PowerPoint presentation outline)
2. [Draft of a Possible Budget Process Overview](#) (for discussion purposes only)
3. Budgeting Timeline & Overview—SE, RUSO, OSRHE, & State (included in this document)
4. Student Fee Overview (included in this document)

**Introduction to the Forum by Faculty Senate Chair Steven Emge:** noted that the university budget has been a topic of long-term interest that has intensified in light of the dramatic recent cuts in state appropriations. States that today's forum will be primarily informational and he has asked President Sean Burrage and Vice President for Business Affairs Dennis Westman to speak on the topic.

**Burrage:** Notes this is his third Spring at Southeastern and the first full budget that he and Westman have overseen. He mentions the cuts in funding the last two Spring semesters (\$86,000 this year and over \$1,000,000 last year). The Oklahoma State Regents for Higher Education (OSRHE) has asked universities to present scenarios for how they would handle state funding cuts of 10%, 15%, and 20%.

**Faculty:** Why do the Regents request these plans/scenarios?

**Burrage:** Two-fold, one as preparation for the possibility of these cuts, and second, for the Regents to use to show the drastic effects of these cuts to the legislature.

**Westman:** Historically, there has not been a strictly defined budgetary process. In most institutions the budget process is tied to a strategic plan that sets forth budgetary priorities. We do not have such a plan at Southeastern. This year's budget has been a "trial balloon" and the Presidential Advisory Committee for Budget has attempted to begin work on discussing a budget process (see document 2). A difficulty arises because state revenue failures make the budget a "moving target." Additionally, the unpredictable nature of funding makes asking for widespread input difficult. Namely, such input and requests might not be implemented, causing dismay that the work of drafting budgetary priorities was in vain. At the same time, our fiscal situation is so lean (not meeting reserve requirements) that we are faced with building from ground level not only a budget process, but our fiscal livelihood.

**Burrage:** (refers to a timeline—document 3) An additional problem is the timing of the state budget process. State appropriations are announced in late May, and the Southeastern has to present a budget to the State Regents (based on the announced appropriations) in a matter of weeks.

**Westman:** Notes that the OSRHE tuition and fee hearings are scheduled for April 20.

**Burrage:** Note that the reticence about public discussion of rising tuition may not be working.

**Westman:** The timeline adds to the difficulties of establishing a budget process. In most institutions these discussions can be conducted in the fall with a more predictable and reliable picture of available funds. As a result, we have many “holes” in our priorities and how to fund them especially without a strategic plan and with a relatively “old” mission statement.

**Faculty:** When the President reports to OSRHE on tuition increases, does this include discussion of fees?

**Westman:** Not usually. We need to distinguish between *course fees* (for instructional purposes) and *mandatory support* (non-course) *fees* which are currently at \$17 per credit hour.

**Dr. Boatman:** Mentioned that we don’t have as much/many of the non-course fees as other institutions. Years ago, many of these fees were rolled into tuition charges to facilitate the use of financial aid to cover these costs.

**Emge:** Shows slide (see document 1) of the fees and fee changes that were proposed at the Feb. 27, 2017 meeting of the Regional University System of Oklahoma (RUSO).

**Westman:** The process is that academic department chairs bring their requests for fees for their classes and programs and the President then brings the proposed fees to RUSO. When approved and implemented, the received fees are put into Account A. Notes that the fees are driven by academic departments who are cautioned not to outprice themselves. A new master list of course fees is in the works. (see document 4)

**Faculty:** Is the fee information available to the students prior to enrollment?

**Dean McGraw:** Because the revenue from course fees is related to enrollment and because there are problems with publishing fee rates prior to their approval, the best we can do is to estimate the costs for students. A figure known as *an estimated cost of attendance* is provided to students using a Net Price Calculator.

**Vice President Clark:** Give examples of *business fees* and *enrichment fees*.

**Westman:** Every fee has a history. One recent list included 660 different fees.

**Emge:** Showed a slide with three questions about fees (see document 1). Westman replies to the questions.

- *What is the timeline of availability and accessing funds from fees?* The timeline for access and availability is done incrementally at 50% and 75% as enrollment and fee collection (typically the collection rate is 80-90%) plays out. This is an exercise in caution.
- *Can funds from fees be carried over from year to year?* Noted that someone raised an interesting question in this regard. Namely, can funds be “saved” for a planned big expenditure (e.g. microscopes)? And, would this be appropriate or acceptable? As a practice, funds are not carried over from year to year.

**Faculty:** With this incremental availability, how do departments know they are getting the full amount of the funds?

**Westman:** They really don’t, and it is rare that the total funds are made available. Again, some of the funds are held back as a cautionary measure in case they are needed, e.g. to cover personnel expenses which count for approximately 73% of our budget.

**Faculty:** What if there is another revenue failure, and—for example—a cut of 15% is required. How is that figured in the budget?

**Burrage:** It depends. How a cut in funding is handled can involve a number of variables and can be dealt with by taking any number of steps. Noted that after a year of work we have now moved to *cash based budgeting*. Referred to colloquially as “train riding cash.”

**Faculty:** In the past, fee funds have been “fronted” for departmental use. Is that still possible?

**Westman:** It is not possible to “front” the funds given our budgetary uncertainty. Though, stable enrollment has helped our predictive abilities somewhat and “fronting” the funds may be a possibility in the future.

**Faculty:** What kind of cuts were presented in the three funding cut scenarios?

**Westman:** The scenarios for were for 10% (1.5 million), 15% (2.2 million), and 20% (3 million) involved, with increasing severity, several possibilities. “Funded” empty positions would not be filled as a buffer. Cuts in departmental funding and travel. Cuts of up to 15% in scholarships and fee waivers.

Noted that since university cuts are “internal” the effects are not always obvious to students. We also need to take care that available “external” funding (e.g. federal aid for work study) is used to cover the intended expenses rather than using internal funds for those purposes.

Forum adjourned at 3:05

**Budgeting Timeline & Overview--SE, RUSO, OSRHE, & State**

Prepared by Dennis L. Westman, 4/7/2017

MONTH	ITEM	PRINCIPAL
<b>December</b>	Academic Services Fees (course and other student/academic service fees) reviewed	Faculty & Staff
<b>January</b>	Academic Services Fees submitted to State Regents	VPAA & VPBA
<b>February</b>	Academic Services fees presented to RUSO for review and approved	President & VPBA
	SE Budget Preparation	VPBA, Staff, and Stakeholders
<b>March</b>	Budget Scenarios Due to State Regents, if requested	VPBA & President
	SE Budget Preparation	VPBA, Staff, and Stakeholders
<b>April</b>	Tuition & Fee Hearings, if requested	President, VPBA, Student Affairs
	SE Budget Preparation	VPBA, Staff, and Stakeholders
<b>May</b>	Tuition & Fee Hearings, if requested	President, VPBA, Student Affairs
	State Appropriations Announced (late May)	
	SE Budget Preparation	VPBA, Staff, and Stakeholders
<b>June</b>	SE Budget Preparation	VPBA, Staff, and Stakeholders
	SE Budget due to State Regents (early to mid-June)	VPBA, President
	SE Budget presented and approved by RUSO (mid-June)	President
	SE Budget president and approved by State Regents (late-June)	President
<b>July</b>	New fiscal year budget begins	Faculty & Staff

# Student Fee Overview

Prepared by Dennis L. Westman, 4/7/2017

FEE	PRINCIPAL	PROCESS	FUNDING
<b>Academic Services Fees – Course Fees</b>	Faculty & VPAA propose  VPBA reviews  President submits to RUSO and OSHRE	Faculty & VPAA review course consumables, existing budgets, anticipated changes in enrollment, program needs, competition and market to determine the right mix of course fees.  Faculty are asked to solicit student input.  Example, Music Enrichment Fee	Those funds are placed in an “A” account (existing or new).  Example, Music Enrichment fee, etc.
<b>Academic Services Fees – Non-Course Fees</b>	Staff propose  VPBA reviews  President submits to RUSO and OSHRE	Staff review to ensure specialized services are covered.  Student input is requested.  Example, International Student Fee	Those funds are placed in the appropriate account.  Example, Registrar, International Students, etc.
<b>Student Activity Fee</b>	Staff propose  VPBA reviews  President submits to RUSO and OSHRE	Staff review to ensure needs of student programing are being met.  Student input is requested.	Those funds are placed in the appropriate account.  Example, Academic Affairs, Athletics, Student Affairs
<b>Student Union Fee</b>	Staff propose  VPBA reviews  President submits to RUSO and OSHRE	Staff review to ensure needs of student union are being met.  Student input is requested.	Those funds are placed in the appropriate account.  Example, Student Union