TO: The Executive Committee
FROM: The Committee on Budget and Resource Allocation (COBRA)
SUBJECT: 13-14 COBRA 1: Report of the May, 17, 2013 Budget Question and Answer Session
ACTION REQUESTED: That the Executive Committee share the report with the Academic Senate

BACKGROUND:
On behalf of 12-13 COBRA, the 13-14 Committee on Budget and Resource Allocations would like to submit the following to the Executive Committee:

On May 17, 2013, Provost James Houpis, VP Brad Wells, and AVP Brian Cook visited the COBRA meeting for a budget-related question and answer session. Attached is a summary of their responses to be reviewed by members of the Executive Committee and Academic Senate.
COBRA Q & A with PROVOST HOUPIS, VP WELLS, and AVP COOK

1. There is a general misunderstanding of the term "cost recovery" as it relates to Administration and Finance and DCIE.
   a. Please describe cost recovery as it applies to DCIE.

   VP Wells indicated that when budgets are developed for self support they developed through an indirect cost recovery model for all auxiliaries (e.g., parking, ASI, foundation, etc) that do not utilize general funds. Some items are known and are considered direct costs. Indirect costs are estimated. An increase in the amount of cost recovery is based on growth of DCIE.

   AVP Cook responded further that within Academic Affairs there are direct and indirect cost specifically linked to the college they are working with. There are two ways that money flows: 1) as a reimbursement, or 2. based on agreements and MOUs between departments, colleges and DCIE.

   b. What is the policy for cost recovery

   There is not a specific policy for internal Academic Affairs cost recovery, but there is a legal mandate to be self sustaining. MOUs govern process of cost recovery. Deans are responsible to ensure that Continuing Education Recovery Funds (CERF) is spent appropriately.

2. What is the policy on the distribution of surplus funds between DCIE, colleges, and departments?

   A reconciliation of income and expenditures is completed if there are extra funds at the end of the fiscal year. Excess funds are anticipated in the original MOU. MOUs can be revised based on changes. If there is a negotiated surplus the percentage of the surplus that goes to the department is negotiated in the MOU.

3. What, if any, is the budget for Academic Affairs for the 2013-14 fiscal year?

   The 13/14 budget has not been finalized. It is not less than 52M, which is this year’s budget. The budget will not be finalized until legislators pass the budget in July.

4. What is the current model being used to fund the Colleges in Academic Affairs? How will this model be used for the 2013-14 fiscal year?

   The Academic Affairs Budget Office will be using the same model that Carol Reese has presented to COBRA. The Provost may revise some categories such as remediation since English may have a different SFR model. The Provost is
working on an algorithm to help level the playing field between colleges in terms of funding for college and department administration. If you look at cost as a percentage of the budget going toward colleges there is a lot of variation, with CLASS on the high side and COS on the low side.

5. Please describe the policy for release time for Graduate Coordinators, newly hired TT faculty, and departments undergoing Five-Year Reviews.

   a. Provost Houpis just released an information item to the Senate which states that all Graduate Coordinators will receive assigned time, and the amount of assigned time is determined on the size of the graduate program.

   b. Provost Houpis has allocated 8 units of assigned time for the first two years (16 units in total) for new TT hires.

   c. Provost Houpis has asked Sue Opp to provide information on the possibility for providing a course release to the Chair or designee to complete the five-year review.

6. Where is this policy memorialized?

   Academic Affairs Directives (AAD)—the Provost is revising and updating historical policies in addition to recording new policies as they emerge. New and revised policies will be brought to the Executive Committee of the Academic Senate to be placed on the Senate agenda as information items. The revised/updated policies will be then posted under Academic Affairs Directives on the Academic Affairs Web page. The AAD for graduate coordinators is AAD 2013-01.

7. How is the policy enforced?

   The policy is enforced by Provost. COBRA members indicated that there can be variation between colleges; all Deans may not allocate funding as it is directed by they policy. Provost Houpis indicated that we have to keep in mind that colleges are allocated funding, and the college does have some discretion over the distribution of funds. However, there are mandatory programs that Dean’s must follow (i.e., new policy on allocating funds to Graduate Coordinators). Carol indicated that we must be mindful that a large chunk of the college’s funding is for fixed cost (e.g., 85-90% of fixed cost is for salary). Thus, only a small portion of the budget is discretionary.

8. What is your financial strategy for Academic Affairs over the next 5 years?

   The Provost indicated that he plans to continue refining the model, and to develop more diverse sources of funding. For instance, he is looking at DCIE and the possibility of self support summer. Aline asked about building financial reserves as a strategy for budget cuts. Provost Houpis indicated that this is critical for moving through fiscally difficult years, and has been the practice since Provost
9. What is the policy and model used for WTU for online courses?

There is no differentiation in WTUs between online and in-class.

10. What salary equity increases do you foresee for those who have not received an equity increase over the last few years?

This refers to the CBA issue, and CFA has communicated with faculty about the provision that allows for equity increases to occur.

11. How do we track the workload and cost related to self-support students that are not directly borne by the departments?

PEMSA provides records of admissions. The Academic Affairs Budget Office looks at entire student headcount and at the percentage that are DCIE. Cost recovery allocation process is based on percentage of DCIE students. A budget is set for PEMSA to set for a level of workload and then more money is allocated to accommodate that work load. The difference is made up from this cost recovery.

12. Different funding model for Concord?

Provost Houpis is working on a plan that he will discuss with the college Deans regarding funding Concord.