

# **FINAL REPORT OF THE FACULTY SENATE BUDGET & PLANNING COMMITTEE**

**May 2, 2018**

There has been significant progress in reestablishing the Faculty Senate's role in the budgeting process but it has been a long, difficult struggle. Over time there had been a steady erosion in shared governance, partly due to a lack of vigilance by the Faculty Senate. It meant less engagement by the faculty in campus governance and significantly less accountability by administration on budgeting issues. Faculty needs to take its shared governance duties seriously.

## **FACULTY SENATE'S ROLE IN THE BUDGETING PROCESS**

During the 2013-2014 academic year Faculty Senate requested funding for Turnitin. That request was denied when Vice Chancellor for Academic Affairs Mike Pecsok stated that Faculty Senate had no role in budgeting. Campus Council was in charge of budgeting and Faculty Senate was allowed two votes on Campus Council. In spring 2018 that would have been two votes out of eighteen. After three attempts by the Faculty Senate, Turnitin was finally funded by the college in 2017, but it was funded in a way that didn't recognize Faculty Senate's right to provide input into the budget. In the three earlier attempts, Faculty Senate was overruled by Campus Council. The Faculty Senate Budget Committee is very grateful to Wayde Oshiro for overseeing the implementation of Turnitin in the 2017-2018 academic year.

The Faculty Senate is a creation of the Board of Regents. Campus Council is a campus creation. The Faculty Senate was given a powerful tool with Board of Regents policy establishing Faculty Senate's role in budgeting and implementation. That role was curtailed by Campus Council's efforts to take over budgeting and deny Faculty Senate a role. Administration chose to ignore Board of Regents policy when it denied Faculty Senate a role in budgeting.

Faculty Senate's concerns about the budget, or any Faculty Senate concerns, should go directly to administration. Clearly it was this kind of accountability that was envisioned when the Board of Regents policy was developed. What has been happening in recent years is that Faculty Senate's concerns did not go directly to administration but were routed through Campus Council. Campus Council is tightly controlled by administration, and with only two votes out of eighteen, Faculty Senate's concerns on the budget were buried.

Faculty Senate's efforts to fund Turnitin revealed flaws in the budgeting process. Divisions pick their top three priorities. This process is heavily weighted towards big ticket items so smaller, worthwhile items like Turnitin get lost. Funding is at the division level but assessment is at the program level. Funds desperately needed by programs to meet assessment goals are lost in the politics of larger divisions. Some budget items like Turnitin are not division-level—they need to be available campus-wide, and that is

another reason why the budgeting process needed to be amended. Turnitin has been the only item specifically asked for by the Senate in many years (at least since 2001). The Senate reflects only faculty-wide concerns, not one or two divisions. These are exactly the kinds of issues that should be discussed in Faculty Senate and communicated to administration. Faculty Senate's role in the budgeting process expands well beyond providing input into the Institutional Priorities List.

Disagreement between Faculty Senate and Campus Council and their respective roles was one of the issues that led to the establishment of the Ad Hoc Planning & Budgeting Process Review Committee in fall 2017 by Della Teraoka, Vice Chancellor for Academic Affairs. The Ad Hoc Planning & Budgeting Process Review Committee developed the Institutional Resource Request Form 2017-2018 which now allows the Faculty Senate, or any individual or group, to request resources from administration. It includes a list of criteria that should be met before submitting a request, which the budget committee found reasonable.

Due to an earlier request by the Faculty Senate the Institutional Priorities List is now routed through the Faculty Senate. Items cannot be added at this point but a request can be made to rearrange the order of the items. This year is the third year the list is to be reviewed by the Senate. In 2014-2015 the Faculty Senate requested notification be made to the campus community about what was funded and what was not funded on the planning lists along with an explanation. This information was disseminated through email and will now be included on the Leeward CC Budget Information website. In spring 2018 a survey was sent to faculty senate chairs to elicit feedback about the role of faculty senates in the budgeting process but much more dialogue is needed between campuses.

With the recent change in administrative personnel and the appointment of a new Vice Chancellor for Academic Affairs, Della Teraoka, the Faculty Senate has made progress in being included in the budgeting process. The Faculty Senate Budget and Planning Committee appreciates the new climate and responsiveness. These new initiatives, while welcome, do not end the continuing concern that Leeward CC administration continues to disregard Board of Regents Policy regarding Faculty Senate's role in the budgeting process. The Faculty Senate's role could change with a change in administrators. The committee believes it is important to get BOR policy clarified so that the Faculty Senate does not lose its budgeting role again.

## **ACCESSIBILITY AND READABILITY OF FINANCIAL STATEMENTS**

Every Leeward CC stakeholder needs to understand the budget. It needs to be accessible and it needs to be understandable. Stakeholders need to be persistent in demanding that budget information be presented in a way that they can understand.

An outcome of the Ad Hoc Planning & Budgeting Process Review Committee has been continuing efforts to upgrade the Leeward CC Budget Information webpage. Useful budget information in the UH System is very difficult to access because it is scattered

over numerous websites. An upgraded site should include more detail, with a functional classification of expenses, and should compare the expense categories of different campuses and trends over time. The Budget and Planning Committee appreciates the efforts of Mark Lane, Vice Chancellor of Administrative Services, in working to upgrade the site, investigating the status of the BOR financial dashboard, and in general responding to the committee's concerns.

Austin Community College District's budget website is a good example of an institution dedicated to the accessibility and readability of its financial statements:

<http://www.austincc.edu/offices/financial-accounting-and-reporting>

Austin Community College District was awarded a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended August 31, 2016 by the Government Finance Officers Association of the United States and Canada (GFOA). Over 4,000 institutions earned this designation last year. Austin Community College District would be a good benchmark for the UH system.

Kalbert Young, UH VP of Budget and Finance, gave a presentation to the Leeward CC Faculty Senate March 16, 2016. He described a financial dashboard, made up of ratios updated in real time, which the Board of Regents had requested in order to improve financial reporting in the UH system. Mark Lane gave an update on this initiative at the April 16 meeting of the Ad Hoc Planning & Budgeting Process Review Committee and at an April 26 meeting of the Faculty Senate Budget and Planning Committee. There have been technical challenges in launching the dashboard, and the financial ratios it would track have not yet been finalized, but the project is definitely moving forward.

**Pertinent and appropriate reference to the following documents supports the Budget & Planning Committee's position on Leeward CC Faculty Senate role in the campus budgeting process.**

## **BOARD OF REGENTS POLICY CHAPTER 1**

Section 1-10: Policy on Faculty Involvement in Academic Decision-Making and Academic Policy Development.

b. Faculty Involvement in Academic Decision-Making and Academic Policy Development

It is the policy of the University to maintain and strengthen organized and systematic involvement by faculty in academic decision-making and policy development.

The following further describes details of this policy.

1. Together with and subject to the approval of its chancellor, each campus faculty may:
  - a. determine its own organization consistent with this policy and any other applicable University and/or Board policies, bylaws, and procedures; and

b. adopt its own bylaws and rules of procedure for exercising the role and performing the duties outlined in this policy. Once such organization or organizations and charters are approved, the pattern of participation in campus and University matters will be realized in accordance with the charters.

2. The duly authorized organization specified by each charter shall have the responsibility to speak for the faculty on academic policy matters such as:

b. budget planning and implementation

5. The role of the faculty as set forth herein shall not be delegated to any other entity by the faculty organization established pursuant to this policy.

**Below are some other documents pertaining to the FS role in the budgeting process:**

**Memorandum of Agreement Regarding the Roles and Consultation Protocols Involving UH Management, UH Professional Assembly, and UH Faculty Senates**

Faculty Senate

The Faculty Senates on each campus shall have responsibility for deliberation and providing advice to administration on

7) Review of the University and/or campus mission, strategic planning directions and goals, and related budget and assessment decisions. This responsibility may be exercised through campus budget and/or planning committees that may include additional shared governance entities.

The Faculty Senate bylaws clearly give a role to the Faculty Senate in budgeting. These bylaws were approved by our administration a little over a year ago.

**FACULTY SENATE BYLAWS**

ARTICLE V. Standing Committees

SECTION 3. Budget and Planning Committee

A. Functions

1. Consult with and advise the Administration on matters relating to projected budgets and current expenditure plans.

2. Consult with and advise the Administration on matters relating to future plans for programs, personnel, facilities, and equipment.

3. Work with the Administration to establish goals and monitor progress toward their attainment.

4. Review and make recommendation to the Senate concerning policy relating to campus resource allocation and use.

5. Review and make recommendations to the Faculty Senate on the Campus Institutional Priorities (IP).

**The Faculty Senate role in budgeting is also clearly spelled out in Leeward CC's Principles of Shared Government:**

The Principles of Shared Governance at Leeward Community College (Leeward Community College Policies, L1.201 Policy on Shared Governance)

1. The Provost and the administration and all campus constituency leaders and representatives shall adhere to the shared governance policy.
  2. The college should provide on-going education regarding the agreed upon shared governance policy.
  3. The administration must solicit and consider Faculty Senate input before decisions are made that have a direct impact on the academic policy, the academic curriculum or the academic procedures of the college.
  4. A team approach to planning and problem solving should be employed.
  5. Committee members and constituency representatives are responsible for keeping the people they represent informed.
  6. Committee members on administrative and campus wide committees should be selected or nominated by the groups they represent or at least chosen from lists submitted by elected leaders of those groups.
  7. Decision-makers should communicate their actions and decisions with reasons appropriate to those decisions to those directly affected by the decision.
- 8. The Campus Council and Faculty Senate's recommendations on budgetary priorities should be given heavy weight in administrative decisions relating to those matters.**

**FACULY SENATE VOTES SUPPORTING A ROLE IN THE BUDGETING PROCESS**

Budget and Planning Committee Motion—May—April 12, 2017—On behalf of the FS Budget & Planning Committee Senator May would like to make a motion to add a one-year license for an Internet-based, plagiarism-prevention service (similar to Turnitin.com), costing approximately \$12,865, to the planning lists.

The vote this year, April 12, 2017, was 15 in favor of the motion, 3 against, and 2 abstentions. A similar motion was made last year, April 13, 2016, in which the vote was unanimous in favor of the motion.

Budget and Planning Committee Motion—May—December 7, 2016—On behalf of the FS Budget & Planning Committee I would like to make a motion to request that more of an effort be made to make the operating budget understandable to the campus community and that financial analysis of the operating budget be shared with the campus. This financial analysis should include financial ratios, especially efficiency

ratios, such as administrative costs (administrative expenses/total revenues), instructional expenses (including the growth of non-tenure track positions to tenure track positions), and track the growth in non-academic administrative and professional positions at Leeward CC. These ratios should be tracked over time for a minimum of the last 10 years (is the percentage growing or shrinking) and should be compared to other schools of comparable size (is our percentage of administrative costs in line with other schools, for example).

VOTE: 15 Y, 0 N, 0 A - Motion Passed