

# FINAL REPORT OF THE FACULTY SENATE BUDGET & PLANNING COMMITTEE

May 1, 2019

The Faculty Senate Budget and Planning Committee has accomplished a lot in the last five years, but significant work is still needed to ensure greater accountability and transparency on the Leeward CC campus.

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.

The Faculty Senate has an important role to play in ensuring greater transparency and greater accountability in the budgeting process at Leeward Community College. The Faculty Senate cannot fulfill its role of helping to set campus priorities if it cannot provide input into the budget. Where the money goes is the truest indicator of the college's priorities and there needs to be a much better understanding within the campus community about what those priorities are.

There is a long history of shared governance between faculty and administration at the university level. Unfortunately in recent years there has been a steady erosion in shared governance, partly due to a lack of vigilance by faculty. This has occurred against a backdrop of some disturbing trends in higher education including soaring tuition costs, the move towards replacing tenured instructors with adjunct faculty, and the dramatic increase in administrative costs. Faculty needs to take its shared governance duties seriously.

**Outcome of Planning Lists.** One of the first concerns communicated to the Budget and Planning Committee was that faculty wanted feedback on the outcome of items requested in the planning lists. At one point Vice Chancellor Mike Pecsok announced that nothing had been funded in the last three years, a genuine surprise to many faculty members. In 2014-2015, the Budget and Planning Committee and the Faculty Senate requested that the campus community be notified about what was funded and what was not funded on the planning lists along with an explanation. Because of the work of our committee and the Faculty Senate, we have a much better process now. Mark Lane publishes a list of what was funded and what was not and provides a rationale. (10-14-15 Report)

**Institutional Priorities List.** The Budget and Planning Committee also pushed for the Institutional Priorities List to be routed through Faculty Senate, which finally happened on May 15, 2015, the first time in many years. Our committee planned to introduce a

motion to that effect at the February 18, 2015 meeting (from the February 18, 2015 report of the Budget and Planning Committee):

The committee has decided to postpone a motion that the campus budget pass through the Faculty Senate for review and input before proceeding to the Campus Council. The committee is in discussion with administration on this issue and didn't want to appear to rush this motion through without adequate deliberation. The committee feels that the Faculty Senate should review the entire campus budget, not just the planning lists.

The motion was introduced at the March 18, 2015 meeting of the Faculty Senate: Stanley May, the FS Budget and Planning Committee Chair, introduced the following motion: "On behalf of the Faculty Senate Budget and Planning Committee I would like to make a motion to request that the entire campus budget come to the Faculty Senate for review and input." The motion was seconded and the vote was unanimously in favor of the motion. At the April 15, 2015 meeting of the Faculty Senate the planning lists for the first time in many years passed through the Faculty Senate for input and a vote before proceeding on to Campus Council. (4-15-15 Report)

**Institutional Priorities List 2018-2019.** The Budget and Planning Committee reviewed the current priorities list. The committee respects the process generating the list and notes that this is the fourth year that the planning list has passed through Faculty Senate. It is important to remember however that the planning list represents an infinitesimally small part of the overall budget. The committee feels that in addition to the planning lists the entire budget should come through the Faculty Senate for review and comment. The committee would also like to see income statements for each year documenting what was actually spent during the year, in addition to the budgets that represent only projected spending.

**Request to Fund Turnitin.** 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. Because of pressure from the Faculty Senate we now have a much better budgeting process. The Institutional Resource Request Form now allows the Faculty Senate, or any individual or group, to request resources from administration. ICS and the Office of International Programs were two units that benefited from this process last year. All of this was accomplished by Faculty Senate following the policy outlined by the BOR and its right to bring its

concerns to administration. We made no such progress when our concerns were routed to Campus Council where they died.

**Submission of Institutional Resource Request Form to Renew Funding for Turnitin Spring 2019.** At the end of fall 2018 it was announced that only five faculty members were using Turnitin. An email was sent out January 1, 2019 in an appeal to convince more faculty members to use this software. The responses indicated that many faculty members wanted to use Turnitin but they lacked proper training to do so. Volunteers provided training for interested faculty members in spring 2019, and more training will be offered in fall 2019. Chair May of the Faculty Senate Budget and Planning Committee introduced a motion at the March 13, 2019 Faculty Senate meeting to renew funding for Turnitin. The motion passed with 17 Yea, 1 Nay, and 1 abstention. Chair May submitted the Institutional Request Form March 15. Vice Chancellor Della Teraoka announced April 13, 2019 that the Turnitin license had been renewed for another year. The Library (contact Wayde Oshiro) agreed to serve as the unit responsible for acquisition but not faculty training. Faculty Senator Stanley May volunteered to coordinate faculty training.

## **NEED FOR GREATER ACCOUNTABILITY**

Faculty Senate's concerns about the budget, or any Faculty Senate concerns, should go directly to administration and administration must deliver a formal response to Faculty Senate. 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 on the budget 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 died. Campus Council is mostly made up of members appointed by the Chancellor and administrators are present at every meeting. It is important to remember that Faculty Senate is authorized by the BOR, Campus Council is not. Kauai has a similar crisis in shared governance. Kauai's FS Chair presented a workshop at the Hawaii Student Success Institute March 1, 2019: Faculty Senate/College Council: Talking Story About Shared Governance." Not just budgeting but every Faculty Senate initiative goes through their version of Campus Council. It is understood that both Campus Council and Faculty Senate are only advisory bodies. At Leeward CC we need more opportunities for transparency and accountability, not less.

Spring 2014 certainly represented a low point in shared governance at Leeward CC, when two attempts by the Faculty Senate to advise administration on the budget met with no response from administration. This was clearly contrary to BOR policy and Leeward CC's Shared Governance Policy:

### **From the May 7, 2014 Faculty Senate Minutes:**

III. Campus Report

Chair Lococo also reported that the Campus Council took vote on the “Campus Priorities/Budget” for the next academic year. As there had been no response to the Senate’s two requests for subscribing to Turnitin.com, Chair Lococo voted no on the budget, and lodged a protest. VCAA Mike Pecsok stated that only budget requests that come through a division process will be recognized. Senate Chair Lococo stated that the Faculty Senate represents the full faculty of the campus and not just one division. There may be instances, such as this request, in which a particular division may not list an item on its priority list, yet faculty from several divisions have an interest. The Senate is the correct body to reflect that, and a formal vote from the Senate (on any issue) should be taken seriously and not merely discarded. He further stated that there should be a way to reflect Senate (and other constituency) concerns without completely revising the budget process of Leeward CC. Chair Lococo informed the Senate that at both Honolulu CC and Kapiolani CC their senates have a vote on the budget and a formal role in setting the priorities for the campus.

**Pertinent and appropriate reference to the following documents supports the Budget & Planning Committee’s position on Leeward CC Faculty Senate’s 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.

**The UHPA-BOR Agreement, R-20, Roles and Consultation Protocols Involving UH Administration, UH Professional Assembly, and UH Faculty Senates.**

General Statement

University of Hawaii Board of Regents Policy RP 1.210 recognizes the critical role played by faculty in the academic governance of the University, and authorizes the establishment of Faculty Senates to “advise the administration (primarily at the campus and unit level) on matters impacting and /or relating to the development and maintenance of academic policy and standards to the end that quality education is provided, preserved, and improved.”

#### PART I: Faculty Senates or other Shared Governance Entities

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

#### **Faculty Senate Bylaws**

The Faculty Senate bylaws clearly give a role to the Faculty Senate in budgeting. These bylaws were approved by administration.

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

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

8.The Campus Council and Faculty Senate’s recommendations on budgetary priorities should be given heavy weight in administrative decisions relating to those matters.

#### **FOCUS NEEDED ON BOR POLICY**

BOR policy is a much stronger guarantee of Faculty Senate rights than a Shared Governance policy. It is clear that neither BOR policy nor Leeward CC’s Policy on Shared Governance have been followed on this campus in the past. Different shared

governance policy have been inconsistent regarding the role of the Faculty Senate in budgeting. The shared governance policy (L1.201) currently in force at Leeward CC gives Faculty Senate a strong role in the budgeting process, although this policy has not been followed. The revised shared governance policy proposed in fall 2018 reduced the role of the Faculty Senate in the budgeting process, but it did reveal a time when Faculty Senate was much more engaged with the budgeting process:

From this AIC report, the ad hoc committee learned that the impetus for drafting and promulgating L1.201 arose from observations gathered by ACCJC's visiting team during the College's self-study process (2000.) The report specifically noted, "Some on the Faculty Senate view their roles as guardian of academic issues to include personnel, budget and planning decisions. This view is in conflict with the representational organization of the Campus Council." Thus, the visiting team recommended that Leeward "define the roles of all constituencies in governance," which resulted in the drafting and adoption of L1.201.

**Clarification of BOR Policy Requested from BOR Secretary Kendra Oishi.** At the November 14, 2018 Faculty Senate meeting senators expressed frustration that there still wasn't clarity on the respective roles of Faculty Senate and Campus Council. In November, Stanley May, Chair of the Faculty Senate Budget and Planning Committee, contacted Kendra Oishi, the Board of Regents Secretary, to find out what process should be followed for clarification of BOR policy. The expectation was that Secretary Oishi would outline the process. Instead, she seemed to take action right way. She said that she had conferred with BOR Chair Putnam about the issues raised and she would be contacting John Morton and Leeward CC administration.

Kalbert Young, UH VP of Budget and Finance, gave a presentation to the Leeward CC Faculty Senate March 16, 2016. He was informed about the disagreement over the role of Faculty Senate in the budgeting process and was asked how the Senate should go about getting clarification of BOR policy. He replied that the BOR Secretary would be the person to contact to get clarification of BOR policy.

In discussion with J.N. Musto, Executive Director of UHPA, during his February 19, 2015 visit to Leeward CC, he was adamant that the Faculty Senate had the right to review and provide input into the entire campus budget. The rights of the Faculty Senate in this respect were tied to the collective bargaining agreement by the MOA. If the administration does not abide by the MOA, such a violation would be grievable. (3-18-15 Report). The MOA has been replaced by the UHPA-BOR Agreement, R-20, Roles and Consultation Protocols Involving UH Administration, UH Professional Assembly, and UH Faculty Senates. As a first step UHPA recommended that the Faculty Senate pass a motion requesting clarification of BOR policy from the BOR.

In early February Chair May of the Budget and Planning Committee was contacted by Faculty Senate Chair Michael Cawdery and informed that Chair Putnam had contacted

UH Vice President John Morton and Leeward CC Chancellor Suzette Robinson. It was very unclear what Chair Putnam communicated. Chair May was told that administration had responded to BOR Chair Putnam by saying that everything was on track with the new shared governance policy that was being developed. "On track with a new shared governance policy" doesn't address the concern that BOR policy has not been followed. That is why a motion is needed to get administration's interpretation of that policy on the record. If Faculty Senate and Administration continue to disagree, then it needs to go back to the BOR, perhaps by a motion by the Faculty Senate requesting clarification from the BOR on this policy. The following motion was presented at the April 10 Faculty Senate meeting:

**Motion.** The Faculty Senate requests clarification from administration as to their interpretation of BOR Policy Chapter 1, Section 1-10.

**Background Information.** For the last four and a half years administration has maintained that budget concerns of the Faculty Senate must go to Campus Council, not directly to administration. Faculty Senate feels strongly that budget concerns, or any concerns, should go directly to administration and that administration must provide a formal response to the Senate. Faculty Senate feels that more opportunities for transparency and accountability are needed on this campus, not less.

## **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

## **NEED FOR GREATER TRANSPARENCY**

In the last five years a number of requests and motions have been made to make more financial information available to the Leeward CC community. More progress is needed. As of April 16, 2019, the Leeward CC budget website lists some useful links and operating budgets for the last eight years but these are not income statements showing actual spending for those years. It is important that statements showing the actual spending, not just projected spending, be added to the website. At the April 2, 2019 meeting the Budget and Planning Committee asked Mark Lane to post statements showing actual spending from 2000 to the present time. These should already exist.

Approving planning lists annually has a cumulative effect over time on the total budget. The college seem to focus only on the planning lists in a current year but not how they may be changing the relative proportions in the total budget over time. What is the cumulative impact over time? Some body on campus needs to review the entire budget, not just the planning lists. It is difficult to be a good steward of resources without knowledge of the entire budget.

The committee feels that the Faculty Senate has a strong role to play in ensuring greater transparency and greater accountability in the budgeting process at Leeward CC. A number of years ago the entire campus budget passed through the Faculty Senate for review and a vote. Over time the role of the Faculty Senate became severely eroded to the point where Mike Pecsok stated that the Faculty Senate could have no direct input into the budgeting process. This was in response to the Faculty Senate's request for funding for Turnitin.com in 2013/2014.

Additional steps must be taken to ensure that the campus community is truly engaged in the budgeting process. An effort should be made to present the information in the operating budget in a way that is understandable to the campus community. Those of us in the teaching profession are dedicated to helping our students understand course content. Distributing financial statements that most people in the college don't understand doesn't count as being engaged in the budgeting process.

Surely the Leeward CC administration applies financial analysis to Leeward CC's financial statements. Such financial analyses should be shared with the college. It is hard to make sense of financial statements without some sort of financial analysis. One of the most basic types of financial analysis is ratio analysis. Ratio analysis allows just about any stakeholder to acquire a basic understanding of financial statements.

Financial ratios that the FS Budget and Planning Committee would especially like to see would be certain efficiency ratios tracking administrative costs, instructional costs (including tenured and tenure track vs. non-tenure track and lecturers) and institutional support costs. For example, a ratio of Administrative Expenses/Total Revenues would be a percentage that could be tracked over time (is the percentage growing or shrinking) and could be compared to other schools of comparable size (is our percentage of administrative costs in line with other schools). On the Leeward CC Budget website in April 2019, bar charts showing the percentage of total spending for Instruction, Public Service, Academic Services, Student Services, and Institutional Support were included with the operating budgets for 2013, 2015, 2016, 2017, 2018 and 2019. This was very useful information and it was presented in a format easily understood by people not familiar with financial statements.

A good analogy of the need for financial analysis of the budget is the student evaluations that faculty submit as part of their tenure and promotion applications. It would never be acceptable for faculty to submit just the raw data. Faculty is expected to highlight trends and respond to those trends. They often use bar charts, pie charts or

other visual aids to present the information. Faculty should expect nothing less in the presentation of the campus budget. (12-7-16 Report)

**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

## **MEETINGS OF THE FS BUDGET AND PLANNING COMMITTEE 2018-2019**

The Faculty Senate Budget and Planning Committee met November 1 (all members present) to discuss shared governance. The results of that meeting were shared in the November 14, 2018 report to the Faculty Senate. The committee met again on April 2, 2019, to discuss shared governance, Turnitin and a motion requesting clarification from administration as to their interpretation of BOR policy. Members Stanley May, Eileen Cain and Paul Lococo were present (member Jeff Judd was not present) along with two guests, Michael Cawdery, Faculty Senate Chair, and Mark Lane Vice Chancellor of Administrative Services. The committee voted 3 in favor, with 1 abstaining, to introduce the following motion at the April 10 Faculty Senate meeting:

**Motion.** The Faculty Senate requests clarification from administration as to their interpretation of BOR Policy Chapter 1, Section 1-10.

**Background Information.** For the last four and a half years administration has maintained that budget concerns of the Faculty Senate must go to Campus Council, not directly to administration. Faculty Senate feels strongly that budget concerns, or any concerns, should go directly to administration and that administration must provide a formal response to the Senate. Faculty Senate feels that more opportunities for transparency and accountability are needed on this campus, not less.

## **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.