

Report to Academic Senate
Presented by Paul Tymann

Resource Allocation and Budget Committee

Membership

- Andrew Herbert (CoLA)
- Warren Koontz (CAST)
- Jim Leone (GCCIS)
- Doug Manchee (CIAS)
- Bruce Oliver (SCB)
- Bruce Smith (KGCOE)
- Charlotte Thoms (NTID)
- James Watters (VP of Finance & Administration)
- Paul Wilson (COS)
- Mike Kotlarchyk (COS, At Large)
- Gary Skuse (COS, At Large)
- Paul Tymann (GCCIS, At Large)

Charge 0.1

- *Revisit the process of deferring salary increases for three months into the fiscal year*
- Motion passed in Senate on 12/16/2010: “On the recommendation of the Resource Allocation and Budget Committee, the Academic Senate recommends to President Destler that RIT return to the practice of making salary increments effective at the beginning of each fiscal year on July 1”
- On 5/5/2011 President Destler Reported that the Board of Trustees will consider making salary increments effective July 1 starting in the 2012-2013 academic year

Charge 0.2

- *Provost requested that the RABC review memo on faculty compensation*
- Final memo (subject “Faculty compensation”) was distributed by the Provost on March 10, 2011
- Much of what RABC requested was in the memo:
 - Commitment to benchmarking (50th percentile)
 - Salary increments set aside prior to budget cycle

Charge 1

- *Report on and make recommendations to the Senate based on the results of last year's work as recorded in the Budget Report for AY2009*
- Presented report to senate on 10/07/2010

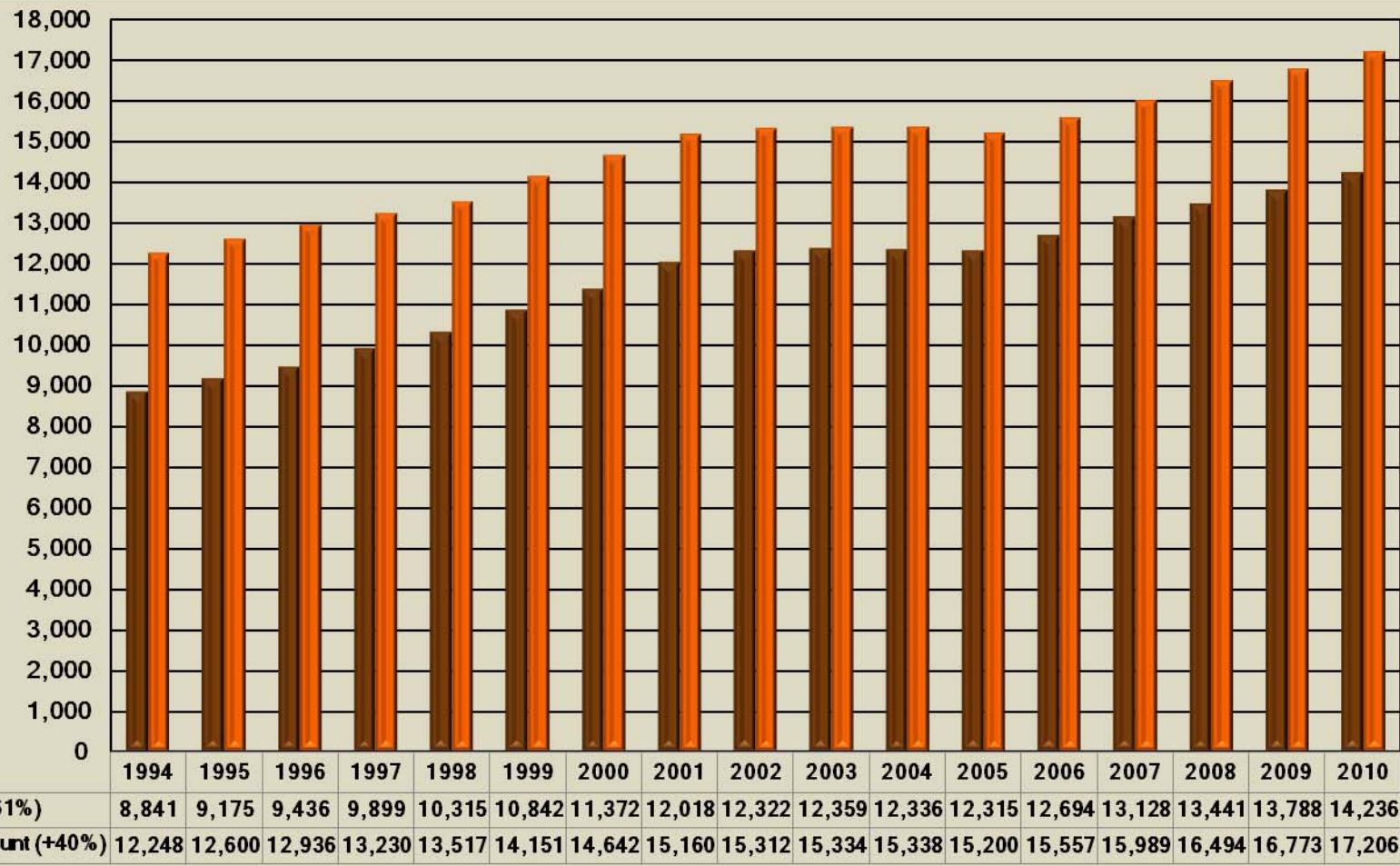
Charge 2

- *In consultation with Ross Koenig in Budget and Financial Services, study the financial model of RIT in the coming years especially noting the impact of enrollment increases on an enrollment-driven institution*
- We met with Jim Watters, Ross Koenig, and Jim Miller

Future Perfect

- Commercial product used to model financial performance
 - Based on financial statements
 - Five years past data – predicts 10 years out
 - Supports “what if” analysis
- Extremely sophisticated spreadsheet based model
 - Based on many parameters and complex relationships
 - Difficult to understand and assess in the given time frame
 - Would be useful to study this further
- Administration was open about showing us detailed workings of the model

Fall Enrollment



20091 Projected vs. 20091 Actual

<i>Undergraduate</i>	20101 Projected	20101 Actual	Δ	Δ %
Headcount	14,222	14,224	+2	+0.01%
FTE	12,356	12,329.7	-26.3	-0.2%

<i>Graduate</i>	20101 Projected	20101 Actual	Δ	Δ %
Headcount	2,849	2,982	+133	+4.7%
FTE	1,747	1,906.7	+159.7	+0.9%

Note:

Actual undergraduate headcount in 20091 was 14,045

Actual graduate headcount in 20091 was 2,728

Selected Institutional Goals

- Become more selective
- Become more national/global
- Achieve improved gender balance
- Enhance ethnic diversity
- Distribute enrollments within RIT
- Improve persistence and graduation rates
- Grow

Issues

- Achieving these institutional goals is expensive
- We are now in the lending business in order to keep the rate of financial aid sufficient to compete with our peers
 - Losing Pell Grants
- Cannot be offset by endowment unlike other Institutions
 - Our ability to raise revenues via tuition rates increases is muted by the need to add to the unfunded aid pool
- Sensitivity to enrollment is problematic
 - Enrollment management is magic

Issues

- Costs are rising
 - Health care expense is a large risk factor
 - Current year expense on the order of \$17 million. For 2021, the forecast model is for health care costs to be over \$43 million
 - Other employee benefits are important as well, particularly tuition remission/waiver/discount benefits.
 - Increase annually in direct proportion with tuition rate increases
- There is a need to look at all expenses incurred by the Institute and ask if our resources are being deployed in the correct manner

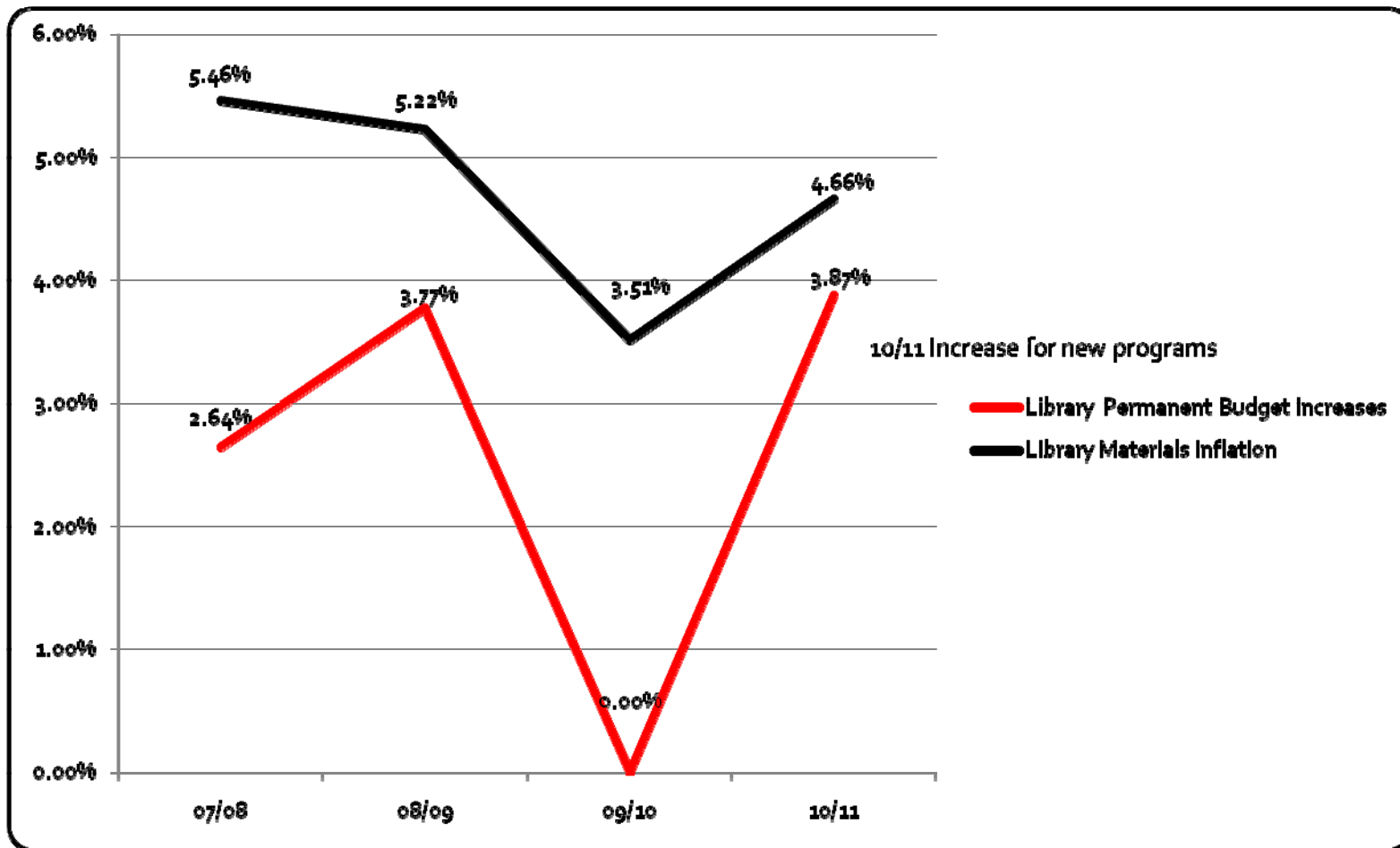
Charge 3

- *Assess and, where appropriate, make recommendations regarding faculty participation, oversight, and approval of Institute decision making, especially in determining Institute financial priorities and commitment to, for example: salaries and benefits, health benefits, security standards, and future building and renovation of academic buildings*

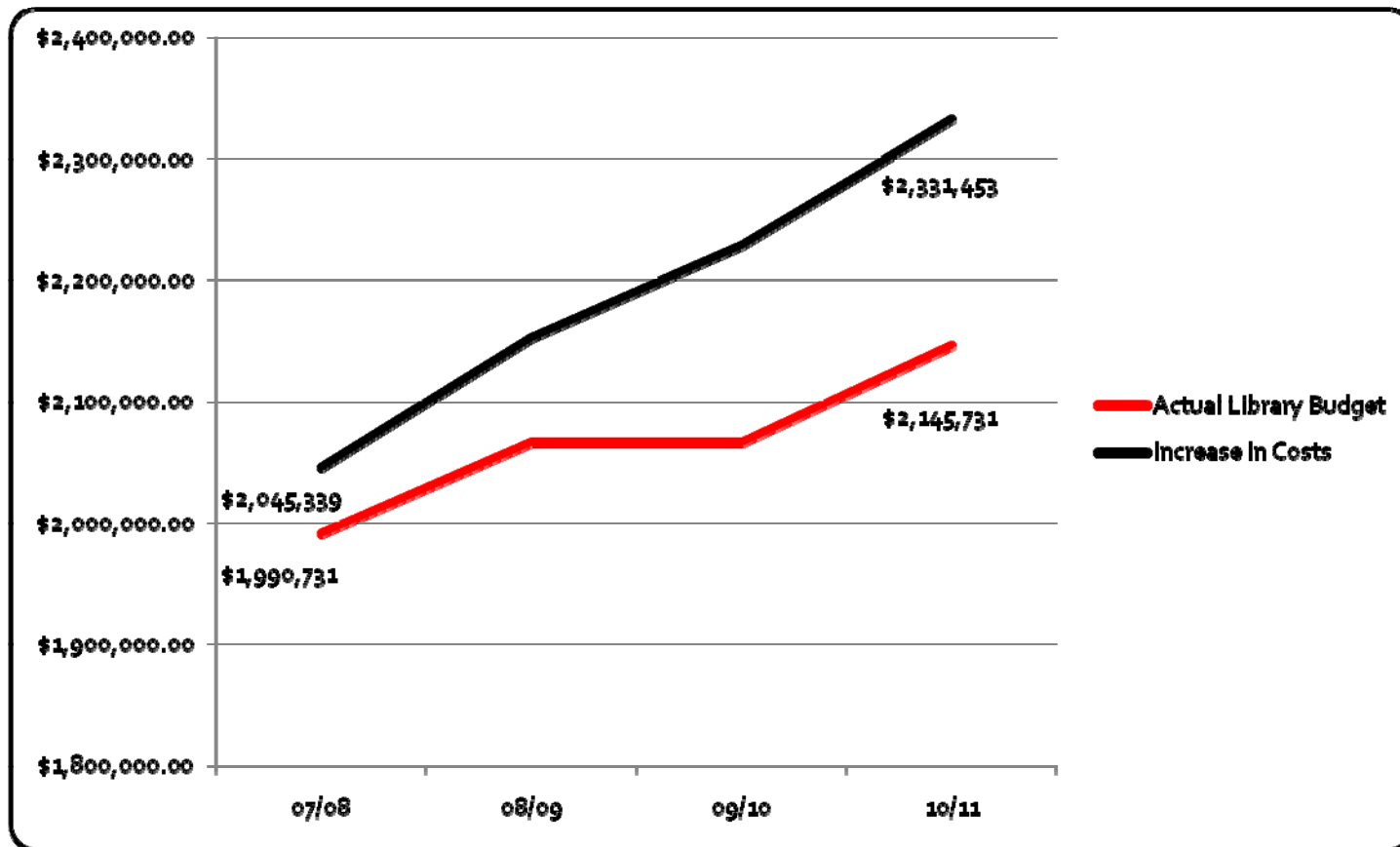
Charge 3.1 (or charge 6)

- *Review budgetary commitment to library support in light of our new strategic priorities. Make recommendations where appropriate*

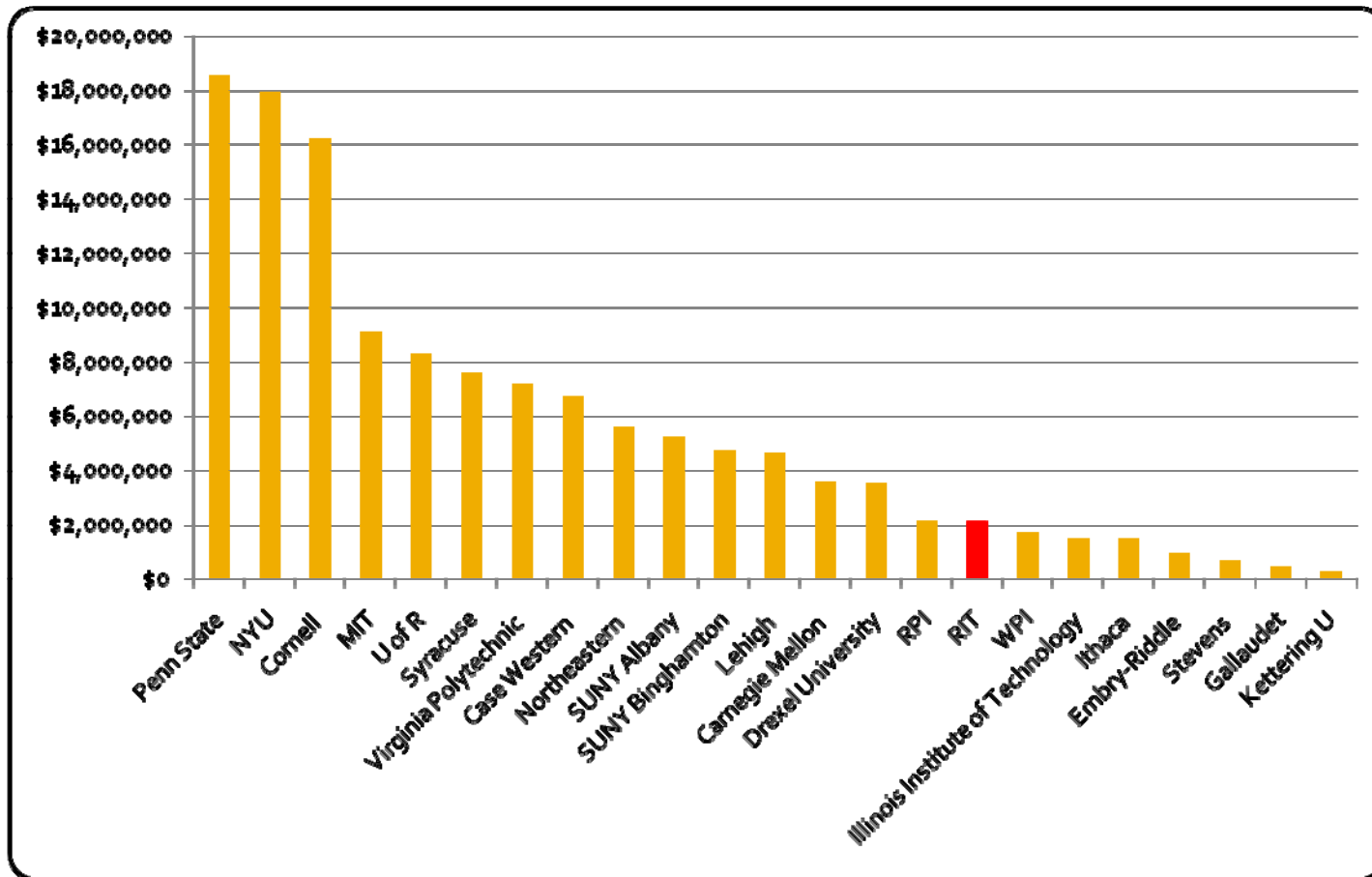
Budget Increases vs. Materials Inflation Rates 07/08-10/11



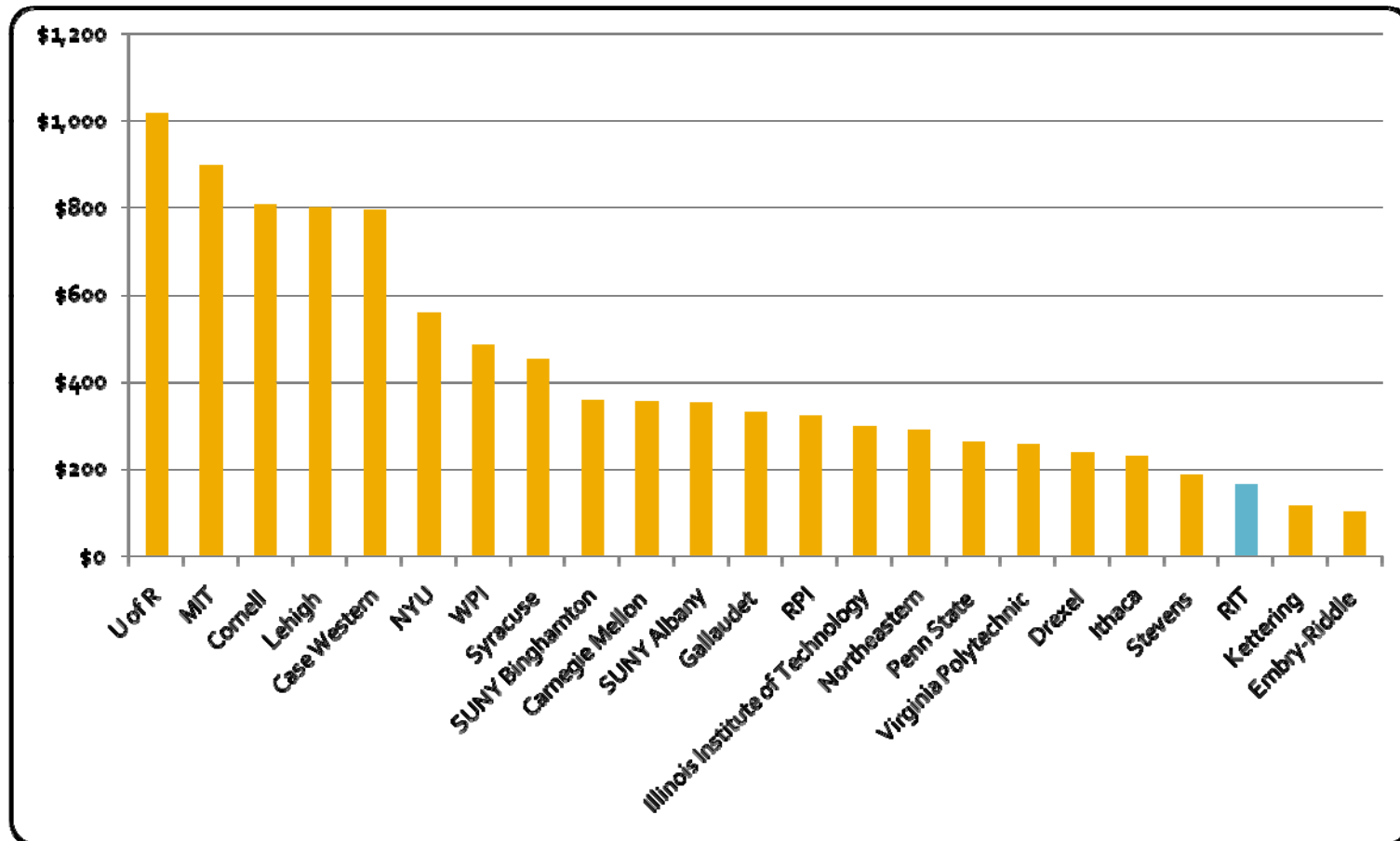
Budget vs. Cost 07/08 – 10/11



Total Library Materials Expenditures



Materials Expenditures per Student FTE



Discussion

- Library has shifted from “purchase” model to “access” model
 - 85% of *materials* budget is for electronic sources
 - When cut - we lose the resource and in many cases the associated archives
- Staffing needs have shifted
 - Have to have staff with IT/data skills
- New programs funded at level well below requests
 - Receive no additional funding after year 5
 - Absorbed into Library’s budget for on-going support

What can faculty do?

- Communicate when you are not getting what you need
 - Library does not exist to be a library – it is there to provide services to faculty and students
 - Don't just go down to road to the University of Rochester
- Inform the library when there is a new need
 - For example, if starting a new line of research contact the library so that they can look into providing resources
- Communication is important (in both directions)

Motion

- Given the growth in scholarly and creative activity among faculty and students, we recommend that the Wallace Center be assigned a high priority in the next budget cycle
 - An immediate goal should be to close the gap between the increase in the Wallace Center's costs and its budget allocation
 - A longer term goal should be to bring the Wallace Center's expenditures per student to the 50th percentile of the CAC peer schools

Future Charges

- Recommendations for future charges for the committee

ISO

- Review the Information Security Office Standards Process and explore the possibility of including Academic Senate input on the adoption of new security policies

Benefits

- Important issue – need to look at this
- The more general question of benefits and the effect of RIT's move to self-funded insurance needs to be reviewed

Lecturers and Adjuncts

- Benchmark lecturer salaries
 - It is not clear if the data exists to make this possible
- Survey the use of adjuncts at RIT. Determine the proportion of courses taught by adjuncts. Make recommendations where appropriate.

Questions?
