

**University Budget Council
Eastern Michigan University**

**Report to the Board of Regents
June 30th, 2008**

During the Fall of 2007, the Board of Regents requested that a University wide committee be assembled to address financial and budget related issues that have continually plagued the campus. In October, Janice Stroh requested nominations and also received BOR appointments that would later comprise the University Budget Council (UBC). On January 8th 2008 the University Budget Council was convened and received purposeful direction from Donald Loppnow and Thomas Sidlik. Included in that set of directions, was that the UBC would make recommendations on the University budget to the Board of Regents. Since that first meeting, the UBC has met sixteen times (weekly two hour meetings for the past three months). Meetings included presentations from a variety of stakeholders on campus who shared detailed budget information and focused on the preparation for addressing long-term solutions to the current budget problems as well as for providing a series of recommendations for the FY09 Budget.

At the February 12th Meeting, after Michael Bretting was elected Chair of the University Budget Council, the UBC created five subcommittees that began meeting independently to address budget related issues associated with: the creation of an entirely new budget process, auxiliaries / athletics / foundation, tuition and fee structures, capital projects / energy savings, and the FY09 budget. These five groups met on average about five times in February and March. The UBC also added a few members since January in order to create a stronger base of campus wide representation. The UBC now totals 28 members who have dedicated a combined total in excess of 1,150 staff hours.

This information illustrates the level of commitment and dedication that the Council has invested in addressing many of the University's financial challenges. The recommendations below are a result of extensive and thoughtful discourse stemming from a collective desire to develop recommendations that are both well-informed and in the best interest of the University and its mission.

As a final note, the Council wishes to express its sincere support of John Lumm. His addition to campus and the UBC has served to create a climate of openness, sharing, trust, and respect that has not been felt on this campus in decades. The UBC has promoted an atmosphere in which a diverse gathering of stakeholders has reached the point of being able to respect and trust one another even when there is disagreement.

The University Budget Council recommends

1. That we continue the work on the budget process model in an effort to fully understand the University's financial picture and to assist with strategically placing the University in a stronger and more competitive position.

2. That a portion of the FY08 surplus should be used to balance the budget as a trade-off between a low (5%) and a high (9%) tuition increase. The current level of reserves is appropriate for FY09. In fact, outside credit rating agencies continue to rate the financial condition of EMU very strongly. In the future, we should build the University's reserves but not at the expense of cutting the instructional delivery budget. However, with the current budget status (modest increase in State support and a decrease in student enrollment) this may have to wait another year or so.
3. That we support the development of a conservative contingency fund to address unforeseen circumstances, but that the trade-off of building a contingency fund at the expense of cutting instructional delivery or increasing tuition does **not** serve our mission and students. Under the present financial circumstances, a portion of the FY08 surplus may need to be used to address the contingency issue in FY09.
4. That ten percent (\$1.1M) of the money collected from "program fees" be reallocated at the departmental level to support instructional delivery (labs, equipment, materials). Seven straight years of budget cuts have significantly impacted the delivery and quality of our academic programming. We charge students "program fees," yet no money from these fees is directed back into the programs they purport to support. The use of the university's "technology fee" to provide essential technology needs across campus establishes a precedent for this fund use.
5. That we must increase and secure permanent capital improvement funding that is sufficient to restore and protect the University's facilities and infrastructure. While future funding sources (i.e., capital campaign, foundation, etc.) must be aggressively created; for the FY09 budget the UBC supports a general fund increase of \$2-3M for capital improvements on **instructional** facilities. A capital improvement plan needs to be shared and clearly articulated to all stakeholders.
6. That financing and actual construction of both the Mark Jefferson and Pray Harrold projects continue immediately. This recommendation is overwhelmingly supported by the UBC membership.
7. That Halle Library be funded in a manner consistent with its overall positioning within the University; this requires an additional allocation of \$200K to the Halle budget. We cannot afford to be recognized as an institution that has an inadequate library collection and resources. The library serves every student and faculty member and is central to the mission of the University.
8. That the critical and strategic goal of increasing student enrollment and retention be supported by increasing the marketing base budget. However, future dollars spent on marketing and communications should be supported by precise empirical

evidence related to the number of additional student applications, donor support, and/or actual benefit generated to the broader university mission.

9. That administrators, faculty, and staff be held accountable for the budgets and outcomes they can control and be given the authority and support to execute those responsibilities.

University Budget Council Membership:

Michael Bretting – (COE) – Chair
Betty Beard – (Nursing)
Colin Blakely – (Art)
Byron Bond – (Continuing Education)
Jason Broge – (B & F)
Polly Buchanan – (COT)
Howard Bunsis – (AAUP – Accounting)
Jim Carroll – (AAUP – Physics)
David Clifford – (Faculty Council – CHHS)
John Donegan – (Physical Plant)
Tamara Greco – (CAS)
Raouf Hanna – (Economics)
La Verne Higgins – (COB)
Sheilah Larnhart – (University Marketing)
Bernice Lindke – (VPSA)

John Lumm – (B & F)
Mike Malach – (Athletics)
Susan Moeller – (AAUP – Acct.)
Todd Ohmer – (B & F)
Bill Price – (Faculty Council)
Mahmud Rahman – (Fac. Council)
Gaie Rubenfeld – (Nursing)
Christine Shell – (R & R)
Adam Slingwein – (Stud. Govt.)
Rebecca Sipe – (English)
Phil Smith – (Faculty Council)
Jeanne Thomas – (CHHS)
Wade Tornquist – (AA)