

ANNUAL REPORT – FISCAL 2008-2009

BUDGET AND PLANNING COUNCIL

Introduction

The Budget and Planning Council was established at the beginning of FY08/09 and consisted of the following seven (7) faculty and staff members and two representatives from the administration:

- o Gardner, Eileen – College of Science and Health
- o Hall, Djanna – College of Education
- o Koistinen, David – College of Humanities and Social Sciences
- o MacDonald, Payton – College of Arts and Communications
- o Matthews, Bil – College of Business
- o Sahni, Mukesh – Professional Staff
- o Theus, Pam - Library

- o Bolyai, Steve – Administration and Finance
- o Winslow, Pam – Budget

Four Observations

It is important to note that:

1. This was the first year of operation for this Council and most of the members of the Council knew little, if anything, about the University's budgeting process. It was, therefore, a distinct and valuable learning process for the members.
2. The University is currently facing unprecedented financial problems (due to the overall economic collapse and resulting constraints facing the State of New Jersey) and thus, towards the end of the current academic year, the Council was more an observer than an active participant.
3. The Senate established the Council as the Budget and Planning Council. Having focused on the development and analysis of the current fiscal budget, the members moved on to the planning side of the equation.
4. While the University is currently clearly focused at present on the short term, the longer-term well-being of the institution (i.e., the strategic and organizational plans for FY 2020) may well be of far greater importance.

Report Relative to the Charges

Standing Charges

1. **Recommend University budget policy and the overall direction of budgetary resources.**

At the present time, it is the lack of budgetary resources that seems to be of primary importance. One does not get the impression that there is a great deal of interest in considering major or radical changes in the University's future directions and expenditure of funds.

Recommendation. Change the charge to: Recommend the allocation of budgetary resources to implement the University's long term strategy.

2. **Advise and prioritize in matters relating to institution planning and finance.**

The Council did not specifically address this charge.

Recommendation. Retain charge.

3. **Examine and review the institution's proposed budget.**

The Council reviewed the FY 2008/2009 budget at some length. It is still awaiting the proposed FY 2009/2010 budget.

Recommendation. Retain charge.

4. **Work with the administration in resolving fiscal concerns.**

At the present time, there is no mechanism for the Council to work with the administration ... and it is not clear what assistance the faculty and staff members of the Council could provide given the severity of the current situation.

Recommendation. Change the charge to: Develop and implement a mechanism by which the Council can work with the administration in resolving fiscal concerns.

Additional Charges

1. **Report to the Senate on the impact of budget reductions to the teaching and research activities of faculty and academic support for students.**

Addressing this charge will require that it be provided with a draft of the proposed budget. As yet, it is hard to determine.

Recommendation. Retain charge ... and schedule a meeting of the Council when the draft of the FY 2009/2010 budget is available.

2. Identify sources and distribution of University funds and report to the senate.

To a large degree (see remaining two charges), this potential role of the Council has been by-passed by direct communications from the administration to the institution (i.e., the meetings on February 5 and April 1).

Recommendation. Retain charge ... or replace it by proposing regular meetings between the administration and the institution.

Recommendation. Charge the Council with conducting a study (in cooperation with the administration) to analyze the growth in costs of administrative personnel over the past ten years. To what extent have these increase been mandated by legislation?

Additional Questions Submitted to the Council by the Senate

1. When does the administration put together a budget plan for the following year? When they do, can they share the outlines of the plan with the Council or, better still with the faculty as an open meeting?

These questions were the primary focus of the first three meetings of the Council and were covered in the reports of the Council. The Council's efforts (reinforced by the nature of the financial situation) led to the administration scheduling meetings with the faculty.

2. For the current academic year, the University has a \$10 million budget deficit. How was this deficit filled? Where did the \$10 million come from? Through a tuition increase? Staff/administration attribution? Etc.

These questions were addressed during the first three meetings of the Council ... and the administration covered them in the March 12 meeting.

Further Thoughts

On March 12, the Chair of this Council made a presentation to a meeting of the chairs of the Senate councils. It was a presentation that attempted to look forward beyond the current crisis ... and it was far from clear that this was what the meeting wanted to hear.

Among the key points made were that the members of the Council:

- o Are considerably less sanguine about the future than the administration. They see little potential for relief from the State and believe that serious financial constraints may continue for 5 to 7 years.
- o Are less optimistic than the administration about the potential for enrollment growth from the current programs and the current marketplace.
- o Believe that the existing plans, however detailed and exhaustive, are of limited (if any) value if the University has no clear vision of what it wants to be at a future date, say 2020, and that developing one is vitally important.
- o Believe that the University will need to go through a major reorganization and restructuring (adopting a very different operational model) if it is to continue to prosper in the years ahead.
- o In conclusion, the Council would suggest that the administration:
 - o Establish a task force to define a vision for University in the year 2020 ... so it can work backward to ensure that any short-term actions are consistent with the long-term objectives.
 - o Establish a task force to focus on viable means of revenue enhancement.
