



Enhancing Senate Input on University Planning & Resources

PRESENTED BY Andy Horbal, Chair

REVIEW DATES SEC – April 8, 2019 | SENATE – April 24, 2019

VOTING METHOD In a single vote

RELEVANT POLICY/DOCUMENT [UMD Plan of Organization for Shared Governance, University Senate Bylaws](#)

NECESSARY APPROVALS Senate, President

ISSUE

In February 2018, several Past Senate Chairs submitted a proposal on the need for Senate engagement in institutional budgetary matters to the Senate Executive Committee (SEC). The proposal noted that the University of Maryland is one of the only Big 10 institutions without a Senate or Senate-equivalent body that addresses some aspect of the institution's budget. The proposal asked the Senate to consider creating a body that could develop the knowledge necessary to help it make informed recommendations on matters with financial ramifications and advise the President on institutional planning. In August 2018, the SEC charged the Elections, Representation, & Governance (ERG) Committee with reviewing the proposal and consulting with the proposers; conducting research on relevant bodies at Big 10 and other peer institutions; consulting with the Executive Secretary and Director of the Senate and a range of campus administrators; and recommending revisions to the Senate Bylaws to establish any new body, as appropriate.

RECOMMENDATIONS

The Elections, Representation, & Governance (ERG) Committee recommends that Article 7 of the Senate Bylaws should be revised to create a Special Committee on University Finance, as defined in the document immediately following this report.

The University Senate should charge the Elections, Representation, & Governance Committee with conducting a comprehensive review of the Special Committee on University Finance in fall 2021 to determine whether it should be codified as a permanent Senate body. As part of its review the ERG Committee should assess the special committee's charge, membership, and operations and recommend revisions to the Senate Bylaws, as appropriate, by March 30, 2022.

The chair of the Special Committee on University Finance should provide annual updates to the ERG Committee on the special committee's progress and overall operations in spring 2020 and spring 2021, which will allow the ERG Committee to make any necessary adjustments and will provide context for the ERG Committee's comprehensive review in 2021-2022.

COMMITTEE WORK

The ERG Committee began considering the charge in September 2018. It met with one of the proposers and distributed a survey to senate leaders at Big 10 and other peer institutions asking specific questions about committees that consider aspects of their institutional budgets. The committee reviewed responses and conducted follow-up interviews with senate leaders at three peer institutions. The committee also consulted with the Assistant President & Chief of Staff; the Assistant Vice President for Finance and Personnel for Academic Affairs; the Associate Vice President for Finance and Chief Financial Officer; and the Associate Provost for Academic Planning & Programs.

After determining that there was value in creating a body like the one called for in the proposal, the committee considered various models that align with existing Senate structures. The most significant challenge that the committee faced throughout its review was the prospect of creating a new body that could develop a deep understanding of the budget without having that understanding itself. After consulting with the Senate Office and Senate Parliamentarian, the ERG Committee determined that forming a special committee would be an ideal way to pilot a new body before it is codified. A 3-year life-cycle for the special committee would allow the body to be informed by the upcoming transition in University leadership and continue to operate while a comprehensive review to develop a formal body is conducted prior to the special committee's dissolution. This model would also allow the ERG Committee to craft specific provisions for the body that could differ from those of standing committees.

The committee developed charge elements for a new Special Committee on University Finance and identified the body's regular and ex-officio membership. It drafted a new article for the Senate Bylaws to incorporate the special committee and shared the approach with various administrative stakeholders and the proposer. The ERG Committee considered feedback it received, made additional adjustments to the proposed revisions to the Senate Bylaws, and developed several administrative recommendations. After due consideration, the ERG committee voted to approve the Senate Bylaws revisions and administrative recommendations at its meeting on March 29, 2019.

ALTERNATIVES

The Senate could choose not to establish the Special Committee on University Finance.

RISKS

There are no associated risks.

FINANCIAL IMPLICATIONS

There are no financial implications.



Enhancing Senate Input on University Planning and Resources

2018-2019 Committee Members

Andrew Horbal (Chair)
Leigh Ann DePope (Faculty)
Jonathan Herrington (Ex-Officio Director of Human Resources Rep)
Wendell Hill (Faculty)
Alexander Houck (Staff)
Christine Johnston (Faculty)
Sharon La Voy (Ex-Officio Associate VP IRPA Rep)
Lisha Lai (Graduate Student)
Elizabeth Lathrop (Faculty)

Olivia Mandell (Undergraduate Student)
Elizabeth McClure (Faculty)
Kathleen Molinaro (Staff)
MacGregor Oberfell (Graduate Student)
Bria Parker (Faculty)
Benjamin Reichard (Undergraduate Student)

Date of Submission

April 2019

BACKGROUND

In February 2018, several Past Senate Chairs submitted a proposal on the need for Senate engagement in institutional budgetary matters to the Senate Executive Committee (SEC). The proposal explained that the University of Maryland is one of the only Big 10 institutions without a Senate or Senate-equivalent body that addresses some aspect of the institution’s budget. The proposers also noted that the University of Maryland Plan of Organization for Shared Governance (University Plan of Organization) explicitly identifies budgetary matters as within the purview of the Senate. The proposal asked the Senate to consider creating a body that could develop the knowledge necessary to help it make informed recommendations on matters with financial ramifications and advise the President on institutional planning. In August 2018, the SEC charged the Elections, Representation, & Governance (ERG) Committee with reviewing the proposal and consulting with the proposers; conducting research on relevant bodies at Big 10 and other peer institutions; consulting with the Executive Secretary and Director of the Senate and a range of campus administrators; and recommending revisions to the Senate Bylaws to establish any new body, as appropriate (Appendix 4).

CURRENT PRACTICE

There is currently no Senate body that directly considers budgetary matters. Many Senate standing committees have ex-officio representatives from various administrative units who can provide some level of information on the financial implications of matters being considered by the committees, though such information is rarely specific or precise. Transmittal sheets for legislation presented for the Senate’s consideration characterize the financial implications of any recommendations, though in similarly general terms.

COMMITTEE WORK

The ERG Committee began considering the charge in September 2018, when it reviewed the proposal and began planning its work. The committee distributed a survey to senate leaders at Big 10 and other peer institutions (peer institutions) asking specific questions about bodies that consider aspects of their institutional budgets; responses were reviewed along with other research on peer institution practices. The committee met with one of the proposers and learned that they envision a

body that would not participate in the actual budgeting processes of the University, but would rather serve as an advisory body that explains/interprets the budget and reports to the Senate. The body would also develop deep historical context for the University budget in order to understand how it has changed over time, and would operate on a macro level, focusing on the broader principles behind long-term allocations rather than specific details.

The committee's chair and coordinators conducted follow-up interviews with senate leaders at three peer institutions that the committee felt might provide useful models: Ohio State University, Indiana University (Bloomington), and the University of Minnesota (Twin Cities). They also met with the Assistant President & Chief of Staff; the Assistant Vice President for Finance and Personnel for Academic Affairs; the Associate Vice President for Finance and Chief Financial Officer; and the Associate Provost for Academic Planning & Programs. The committee received reports on the institutional interviews and administrator meetings, and determined that a majority of members were in favor of proposing some form of new body.

The committee discussed at length the most appropriate model for any new body and considered several approaches that align with existing Senate structures, including University Councils and standing committees. University Councils are sponsored by and report to the Senate and particular members of the administration or to a dean. While councils establish a clear pathway for advising administrators, their engagement with the Senate is more limited, and they can only be created by a taskforce. Senate standing committees represent another possible approach, though the Bylaws establish general characteristics of every standing committee, not all of which would be appropriate for the body ERG was considering. Term lengths, for example, are too limited. Perhaps most importantly, the mechanism for selecting members would not allow the committee to meet over the summer when important budget-related activities take place, given slates of candidates for committees are not approved by the Senate until the first meeting of the fall semester. The most significant challenge that the committee faced throughout its review was the prospect of creating a new body that could develop a deep understanding of the budget without having that understanding itself. While the committee could consider models at other institutions, it was difficult to envision how any of those models would function and be most effective within the University's structures and budget model.

With the upcoming transition in the University's leadership, the committee recognized the critical importance of establishing a body that could engage with both the outgoing and incoming administrations. The University Plan of Organization allows for the creation of special committees "of limited scope and term of duration." After consulting with the Senate Office and Senate Parliamentarian, the ERG Committee determined that the special committee model would be an ideal way to essentially pilot the new body before it is codified. The committee agreed that a 3-year term of duration would allow the special committee to be informed by the transition in leadership and allow it to continue to operate while a comprehensive review to develop a permanent body is conducted prior to the special committee's dissolution. This model would also allow the ERG Committee to craft specific provisions for the body that could differ from those of standing committees. The committee agreed to develop those provisions for the special committee, including a charge, membership, and set of procedures that would provide the most value to the Senate, the University, and the administration.

The committee drafted potential charge elements and considered feedback from the administrative stakeholders it consulted earlier. It also began discussing the special committee's membership. A subcommittee was formed to develop potential membership models. Following a review and

feedback from the full committee, revisions to the Senate Bylaws to incorporate the new special committee were drafted and shared with various administrative stakeholders and the proposer.

The committee considered feedback from the administrative stakeholders, the Senate Office, and the Senate leadership. It also made additional changes to the proposed revisions to the Senate Bylaws, and developed several administrative recommendations that will allow the ERG Committee to recommend adjustments to the special committee's charge, membership, and operations, as necessary. The ERG Committee will also be charged with a comprehensive review of the special committee to determine whether or not to establish it as a permanent Senate body prior to its dissolution. After due consideration, the ERG committee voted to approve the Senate Bylaws revisions and administrative recommendations at its meeting on March 29, 2019.

COMMITTEE FINDINGS

Peer Institution Research

As noted in the proposal, all but two of the University's Big 10 peers have bodies that are engaged with some aspect of the institutional budget (Appendix 1). In order to gather richer information than what could be gleaned from websites, the committee sent a survey to its peer institutions; eleven of them responded, and eight expressed a willingness to speak further (Appendix 2). Interviews with three of those institutions provided additional information on how these bodies function and what their officers feel make them in/effective. The committee also reviewed the specific charge elements under which each body operates.

In its research, the committee identified a range of characteristics that vary across relevant bodies at peer institutions. Some committees, such as Indiana University's Budgetary Affairs Committee, regularly advise the Provost on funding requests from academic units. Others simply receive updates on the budget and fulfill an implicit oversight function, such as the University of Minnesota's Finance and Planning Committee, which its chair describes as "a watchdog...the dog that doesn't bark." Some are quite small, such as Northwestern University's six member Budget and Planning Committee; Rutgers University's Budget and Finance Committee, in contrast, contains thirty-eight members. Most bodies include representation for faculty, staff, and students, though most are also based in faculty Senates. Most also include ex-officio representation from various administrative units. Perhaps most importantly, the budget models used by peer institutions are not consistent. Some use a responsibility center management (RCM) model, in which funding follows credit hours and colleges are responsible for much of their own overhead. Others adopt something closer to the historical budget model used by the University of Maryland, in which units' budgets are generally based on modest adjustments to the previous year's budget. One common theme that emerged from the interviews the committee conducted, however, was the importance of establishing trust between the body and the administration and administrators with which it works. Maintaining an open and collaborative dialogue between involved parties was consistently cited as a key element of an effective body.

In light of these variations, and informed by conversations with other Senate leaders, the committee determined that there was no ideal model offered by a peer institution. However, it is clear that nearly every peer finds value in having a body dedicated to fiscal issues, despite differences in approach. Any new body established for the University of Maryland must align with the University's financial practices and existing shared governance structures.

UMD Budget

The University has two separate and distinct annual budgets: the operating budget and the capital budget. The operating budget includes both unrestricted (tuition and fees, state appropriation,

auxiliary enterprises, and government/private gifts) and restricted (federal/state/local grants and contracts) funds. However, it is important to note that tuition is also “controlled” by the University System of Maryland (USM), the governor, and the state legislature. The capital budget has 5/10 year planning cycles, including annual asking-year requests. The Capital Improvement Program (CIP), which is state funded, focuses on the construction of new academic facilities to accommodate enrollment growth and enhance instructional programs and the modernization of existing facilities to meet current code, incorporate telecommunications and information technology, and improve safety for the USM. In addition, the System Funded Construction Program (SFCP) supports institutional auxiliary projects (e.g., necessary dormitory renovations) but is contingent on the availability of resources, debt capacity, and recurring funds to cover increased operating costs and annual debt service.

The University’s total budget (FY2020) is approximately \$2.3B with \$1.8B from unrestricted revenue and \$500M from restricted revenue that can only be used for designated purposes, primarily research-related. State appropriations make up less than one-third of unrestricted revenue and include funds to support the teaching, research, and public service missions of the University. An additional one-third of the University’s revenues come from tuition/fees; the auxiliary enterprise, government/private gifts, and other sources compose the remainder of the operating budget. The majority of expenditures are focused on salaries, wages, and fringes, but also include fuel and utilities, equipment and supplies, fixed charges/debt/contracts, land/structures, facilities renewal and maintenance, and travel/communication.

The University’s annual budgeting process is iterative and starts each August for the following fiscal year’s budget. Planning involves coordination with the USM, which is responsible for submitting a budget request for the entire system to the state. In December, the governor releases a budget proposal that must be kept confidential until it is publicly announced in January. The legislature can generally change but not increase the governor’s budget. The legislative session runs ninety days, from January to April. The University President lobbies for the institution’s priorities throughout the session, and campus-level plans are adjusted based on the legislature’s deliberations. The final state budget is released in April, and establishes tuition rates and other funding provided by the state. The University has relatively little discretion over how money in the budget is spent; revenue streams are devoted to specific purposes and even enhancement funding, in years when it is available, is tied to particular projects that address key priorities and issues. The President receives advice on the budget from a range of existing officers and bodies, which are described in [Standard VI](#) of the [University of Maryland 2016 Middle States Study](#). Once the state budget process is complete, the campus begins a more detailed and rigorous working-budget process that runs from April through June. The Division of Administration and Finance administers this process through the University’s budget office, and it includes the setting of detailed operating budgets, including salaries and position budgets, across the University. Institutional priorities for the upcoming fiscal year are typically addressed during this phase of the budget cycle and are reflected in the University’s divisional and central budgets.

The Division of Academic Affairs administers approximately 70% of the funds provided by tuition and the state, which supports the faculty and staff that are responsible for carrying out the institution’s mission. The Provost’s Office does most of its budgeting work in the summer and fall. The Provost is advised by the Academic Planning Advisory Committee (APAC), which is comprised of senior faculty appointed by the Provost. The SEC puts forward a list of nominees for the Provost’s consideration. APAC was originally created by the Senate to advise the Provost on academic issues with significant resource implications, including the creation/elimination of

academic units or programs, strategic planning, major revisions of the undergraduate curriculum, resource reallocation, and the distribution of enhancement and research initiative funds.

Finally, the budget itself is not readily accessible or broadly understood. A PDF file of the University's detailed budget can be accessed through computer stations in the library, but the file format makes it challenging to extrapolate useful information. There appears to be broad confusion about the budget on the part of faculty, staff, and students. Therefore, educating the campus community on the budget itself and on the budgeting process is of critical importance.

SPECIAL COMMITTEE ON UNIVERSITY FINANCE

A new Special Committee on University Finance will provide an opportunity for a Senate body to advise the President, the Senior Vice President and Provost, and other University administrators on budgetary matters as they pertain to institutional priorities. It will also provide guidance to the Senate and can serve as a much-needed resource to help members of the campus community better understand the University's budget.

Charge

The special committee is an advisory body with three primary purposes: to serve as a resource to help educate the campus on the University's budget; to serve as a resource to help advise the Senate and its standing committees on any recommendations under consideration; and to advise the University administration on short- and long-term planning and priorities. The special committee will regularly report to the SEC, and will report at least twice a year to the full Senate. While the ERG Committee did not define these latter reports, members envision that the first will occur early in the fall semester and focus on providing Senators an overview of the University's budget and information on priorities for the upcoming year. The second could take place at the Senate's annual Transition Meeting, where the special committee could provide a similar primer on the budget and report on the final budget approved by the state. The special committee's ability to fulfill its charge will depend on establishing a robust understanding of the University's budget and associated processes, which inform the ERG Committee's decisions regarding membership and operations.

Membership

The ERG Committee discussed at length the special committee's membership, and reviewed precedents from other Senate and Senate-related bodies (Appendix 3). It generally agreed that ex-officio members with relevant expertise would be critical to the work of the body, and carefully selected those members based on feedback from the administrative stakeholders. Those members include:

- **Past Chair of the Senate:** The Past Chair will have served on the SEC for two years (as Chair Elect and as Chair), which will allow them to provide insights on both the operations of the SEC and of the full Senate. As a member of the SEC, the Past Chair's presence will also facilitate regular communication with the SEC and Senate leadership.
- **Associate Vice President for Finance and Chief Financial Officer:** The AVPF is the University's foremost authority on the budget and brings an unparalleled knowledge of the University's finances. The AVPF's insights will be critical in the special committee's early years and will inform its reports to the Senate.
- **Associate Vice President for Finance and Personnel, Academic Affairs:** The AVFPF is the chief financial officer of the Division of Academic Affairs, which is responsible for more than two-thirds of the institution's budget.

- **The President (or a representative):** Including a representative of the President broadens the special committee's perspective and establishes a channel to the President to better communicate the special committee's process and thinking on issues under consideration.
- **The Vice President for Student Affairs (or a representative):** The Division of Student Affairs includes several self-support units, and a representative would provide the special committee important insights into that budget model and its interaction with the University's overall operating budget.
- **A representative from among the current and former unit-level budget officers or former department chairs, appointed by the Provost:** Budget officers have experience with managing daily budget operations that would provide a valuable perspective to the special committee.

As is the case on many other Senate committees, ex-officio members are given both voice and vote.

The regular members of the special committee were chosen with several principles in mind. First, the body should remain within the ideal membership range identified by the Senate Office (Appendix 3). Second, the major Senate constituencies should all be represented. Finally, tenured/tenure-track faculty should comprise approximately the same percentage of the regular membership as they do in the Senate (50%). The committee considered whether some or all of the members should be Senators, but decided that membership should be open to all, given one of the body's primary purposes is to help educate the broader campus on the budget. The committee settled on term lengths that match those of Senators: three years for faculty and staff, and one year for students. Given the importance of building knowledge of the budget, the student terms can be extended up to two times if the members are interested in continuing.

Selection

The ERG Committee explored a range of possible methods for selecting regular members. Members initially preferred the same approach as is used for the Senate's standing committees, which involves a volunteer process conducted each April. Given the special committee would not be incorporated into the Senate Bylaws until after the start of the volunteer period, that option was not viable. The committee decided to allow Senators to nominate members of the campus. The SEC would then select from among the nominees by constituency (i.e. the undergraduate student SEC members would select the undergraduate special committee members, the exempt staff members the exempt staff member, etc.). This parallels a process used in other instances, as when the SEC recently provided nominations for the upcoming presidential search committee. Vacancies will be filled by a similar process using nominees from the most recent nomination period. If there are no interested nominees, a new nomination period will be held.

Operations

Given the frequency of meetings will likely vary throughout the year based on the University's budgeting cycle, the special committee may establish its own meeting schedule, with a minimum of one meeting per month during the academic year. Based on feedback from administrators, who emphasized the confidential nature of budget information during particular periods, the ERG Committee decided that meetings of the special committee should be closed, though its agendas will be public as with other Senate committees. The special committee may invite guests as necessary to inform its work. The Bylaws also include a provision dissolving the special committee

at the end of its third year of operation, which will occur whether or not the ERG Committee's comprehensive review recommends that the body be made permanent.

RECOMMENDATIONS

The Elections, Representation, & Governance (ERG) Committee recommends that Article 7 of the Senate Bylaws should be revised to create a Special Committee on University Finance, as defined in the document immediately following this report.

The University Senate should charge the Elections, Representation, & Governance Committee with conducting a comprehensive review of the Special Committee on University Finance in fall 2021 to determine whether it should be codified as a permanent Senate body. As part of its review the ERG Committee should assess the special committee's charge, membership, and operations and recommend revisions to the Senate Bylaws, as appropriate, by March 30, 2022.

The chair of the Special Committee on University Finance should provide annual updates to the ERG Committee on the special committee's progress and overall operations in spring 2020 and spring 2021, which will allow the ERG Committee to make any necessary adjustments and will provide context for the ERG Committee's comprehensive review in 2021-2022.

APPENDICES

- Appendix 1 — Research on Relevant Committees at Big 10 and Peer Institutions
- Appendix 2 — Survey of Senate Leaders at Big 10 and Peer Institutions
- Appendix 3 — Existing Senate-Related Membership Models
- Appendix 4 — Charge from the Senate Executive Committee

ARTICLE 7
SPECIAL COMMITTEE ON UNIVERSITY FINANCE

7.1 Membership and Selection:

- 7.1.a Composition:** The special committee shall consist of a presiding officer appointed by the Senate Chair from among the tenured faculty; five (5) tenured or tenure-track faculty members; one (1) professional track faculty member; one (1) exempt staff member; one (1) non-exempt staff member; two (2) undergraduate students; one (1) graduate student; the immediate Past Chair of the Senate; the Associate Vice President for Finance and Chief Financial Officer; the Associate Vice President for Finance and Personnel, Academic Affairs; and the following persons or a representative of each: the President, and the Vice President for Student Affairs. The Senior Vice President and Provost shall also appoint a representative chosen from among current and former unit-level budget officers or former department chairs. All members of the special committee shall be voting members.
- 7.1.b Selection of Members:** The regular membership of the special committee shall be selected by the elected members of the Senate Executive Committee. Following the May 7, 2019, Transition Meeting, current Senators may nominate any member of the campus community. Nominees shall provide a statement indicating their interest in and qualifications for the special committee. Members of the Senate Executive Committee may not be nominated. Elected members of the Senate Executive Committee will vote by constituencies for members of the special committee. In the event of a tie, the Senate Chair will cast the deciding vote.
- 7.1.c Membership—Vacancies:** After each Transition Meeting of the Senate, current Senators may nominate members of the campus community for any vacant seats. In the event of a vacancy during the academic year, members of the Senate Executive Committee from the respective constituency will select a replacement from the most recent list of nominees. If there are no interested nominees, a new nomination period will be opened and members of the Senate may submit nominations following the procedures in 7.1.b.
- 7.1.d Membership—Terms:** Terms shall be three (3) years for faculty and staff, and one (1) year for students. Student members who wish to continue may be renewed up to two times. Terms shall begin on July 1, 2019.

7.2 Charge: The special committee shall exercise the following functions:

- 7.2.a** Develop a deep understanding of the University's budget and budgeting processes and use that knowledge to educate the campus community on these practices.
- 7.2.b** Consult with and advise the President, the Senior Vice President and Provost, and other University administrators on short- and long-term institutional priorities, particularly as they relate to the University's mission and Strategic Plan.
- 7.2.c** Advise Senate-related bodies—including committees, councils, and task forces—on the fiscal implications of any proposed recommendations under consideration.
- 7.2.d** Report to the Senate two times each year on the budgetary and fiscal condition of the University and the administration's response to any special committee recommendations.
- 7.2.e** Regularly report on its activities and the budgetary and fiscal condition of the University to the Senate Executive Committee.

7.3 Operations:

- 7.3.a Agenda Determination:** The special committee shall have principal responsibility for identifying matters of present and potential concern to the campus community within its area of

responsibility. The presiding officer shall place such matters on the agenda of the committee. Agendas shall be made publicly available prior to each meeting.

- 7.3.b Meetings: The special committee shall meet as frequently as is needed to accomplish its charge, but at least monthly throughout the academic year. Additional meetings may be required over the summer months to accommodate the University's budgeting processes. Given the sensitive nature of the special committee's work, meetings will be closed to all but members and invited guests.
- 7.3.c Minutes: Action minutes of the special committee's proceedings shall be kept in accordance with Robert's Rules of Order for Small Committees.
- 7.3.d Procedure: The version of *Robert's Rules of Order* that shall govern the special committee shall be *Robert's Rules of Order for Small Committees, Newly Revised*. The special committee shall determine how technology, such as phone and video conferencing and other electronic methods of participation, can be used for its purposes. The special committee may choose to conduct votes via email, and shall agree on any other mechanisms for conducting business outside of meetings, when necessary.
- 7.3.e Quorum: Quorum shall be a majority of the members of the special committee.
- 7.3.f Guests: The special committee may invite guests to participate in its meetings if it is deemed necessary.

7.4 Dissolution:

- 7.4.a The special committee shall be dissolved following the adjournment of the last regular Senate meeting of the 2021-2022 academic year, at which time the provisions in this article will become inoperative.