

UNIVERSITY OF SOUTH ALABAMA
Faculty Senate

Faculty Senate Executive Committee Meeting
Aug. 7, 2024, 3:00-5:00 p.m.
MCOB 101
MINUTES

Present: Christina Wassenaar (presiding), Bret Webb, Vicki Tate, Donna Streeter, Michael Black, Clay Davidson, Yvette Getch, Marie Migaud, Andrei Pavelescu, David Turnipseed (Z), Laura Vrana, and Sean Walker

Excused: Sinéad Ní Chadhain

Guest: Peter Susman (Chief Administrative Officer)

OLD BUSINESS – University Budget Process Overview

Mr. Susman was asked to give the Executive Committee an overview of the philosophy of the budgeting process at South Alabama so that we can develop potentially more educative questions regarding it and understand the process of how the money moves through the system.

There was a question about budgeting grants, which Mr. Susman referred to the Office of Research and Economic Development and the Office of Grants and Contracts. These departments have primary responsibility for administering and reporting budgets and actual results for grants and contracts.

Each member of the Executive Committee was asked to give some idea of their individual experiences with the budgeting process. Experience ranged from none to some oversight responsibilities.

Mr. Susman shared a handout that gave a framework of the university's budget. A question was asked was whether there is an expectation from the university administration that there is some expectation on the Deans for transparency of sharing their budget with the faculty, or is it whatever the Deans decide to share or not share? The answer was that the way the budget management process works is that the budget comes from the Budget Office and is shared with the divisional levels. Each division has different resources that they account for and different ways of managing the information. While the Budget Office is involved in all of the college budgets, it is up to the various levels/divisions/colleges as to how they deal with it at their levels. The

Budget Office prepares reports, monitors the budget, develops analysis, assess proposals and advise on budget matters, but does not make decisions or dictate how each division manage the budget. They work more as a partner with the divisions than as a supervisor.

The University budgeted is comprised of four primary units: Operations and Maintenance (O&M), the College of Medicine, USA Health, and Auxiliary units. The College of Medicine and USA Health receive a share of the state appropriations that comes to the overall university. Each unit develops their own budgets and the Budget Office consolidates the budgets to create the comprehensive University of South Alabama Budget.

Within each unit there are Organizations that represent departments that have distinct budgets recorded across various account and program codes.

Budgeted funds refer to funds that have a budget that goes into Banner, which is the accounting system used at the university. What is budgeted for the year does not roll over to the next year and must be spent. Unbudgeted funds are provided by self-supporting funds or reserve funds, and are restricted to a specific fund for a specific purpose and are spent as needed.

The University works with a balanced, incremental budget system. This means that year after year, absent any known changes, the budget will be the same amount that was received the previous year. Known changes can be either new revenues or expenses funded through budget requests, or it could be budget cuts which would require taking away funds.

The budget process starts in the spring with meetings of the Budget Council (all units and divisions of the University as well as the Faculty Senate, SGA representation and a few additional people). The Budget Council makes recommendations for the budget to the President of the University, which then goes to the USA Board of Trustees for their approval. The first meeting in May is where a tuition proposal will be presented to the Budget Council, along with a discussion on housing and dining rates. The second meeting in July is an opportunity to the Vice President of each division to present budget requests to the Budget Council.

After the second budget council meeting, the budget requests are vetted, evaluated and prioritized by the President's Office and a decision about what will actually get funded in the budget is made. In late August, the third Budget Council meeting will finalize what will be submitted to the President, which is then submitted to the Board of Trustees at their September meeting for their approval. Once it is approved, it will go into effect on Oct. 1st at the beginning of the fiscal year.

The University submits two reports to the State of Alabama Executive Budget Office during the year. The Operations Plan is due July 31st while the EBO Report is due November 1st. Both reports provide the State of Alabama with details on how the University has or plans to expend resources. Once the EBO is submitted to the State, in the last several years ACHE has held budget hearings.

Last year during the ACHE hearing, when looking ahead a year for this year's budget, it was talked about what was driving our restricted/unrestricted budget increase, which was estimated for the Education Trust Fund state appropriation, as well as tuition and enrollment. There were three priorities: human capital costs, routine operating expenses, and the expansion of academic programs. Mr. Susman testified before the Commission on Higher Education,

“One of the priorities is our commitment to bringing the compensation of our faculty and staff to a competitive level, not only with our peers in higher education, but our local community as well. During 2022 we completed the faculty salary survey to identify the areas where we were least competitive. We implemented a three-year plan to fund salary increase. Those will be completed. We’re committed to continuing the support of our faculty and staff through competitive compensation and benefits moving forward.”

The FY24 budget was then discussed in terms of highlights.

The FY24 budget was around \$1.53 billion, which is approximately \$4.2 million per day. When looking at restricted vs unrestricted budget, the total unrestricted budget for FY24 is \$1.4 billion (O&M is \$271m, COM is \$59m, USA Health is \$1,048m and Auxiliaries is \$23m). The total restricted budget is \$128 million (O&M is \$55m, COM is \$72m and USA Health is \$1m).

In terms of the sources of funds for the entire University budget, only 10% comes from state appropriations. The majority of revenue comes from USA Health (67%), tuition and fees (11%), grants, contracts, gifts (9%), then the rest of the funds (3%) comes from auxiliary services and “other”.

A discussion about federal funding relative to R1 standing ensued, including topics on overhead costs, grants, etc.

One change in the FY24 O&M revenue budget was changes in tuition costs, with in-person cost increasing and online costs decreasing, allowing for more equity between the two types. This happened over a 3-year period. The academic infrastructure technology fee was increased and enrollment in new academic programs also saw an

increase in revenue. This allowed for some more funding for increase in faculty salaries and help offset increases in health insurance, scholarships and utilities.

There was a question regarding how to interpret the long numbers associated with accounts. The numbers are broken down into 5 segments and is called FOPAL = Fund / Organization / Program / Activity / Location. Only the first 4 codes are actually used. Each FOPAL fund account [identified by numbers] has an equivalent description [words].

OLD BUSINESS – Title IX on USA campus in the aftermath of new AL legislation

A representative from the Title IX office will be talking to the faculty senate plenary meeting on Aug. 21th.

NEW BUSINESS – Role of Faculty Senate Caucus Leaders / Committee Chairs

Christina would like to find a way of integrating the caucus leaders into some of the more key leadership and informational discussions that are occurring at the Senate level. There should be a better way of getting information from the Faculty Senate to faculty in general, as well as information coming for college faculty to the senate.

One of the things that caucus leaders should be doing is meeting regularly with the leadership at their colleges or their department or division.

Christina would also like to approach Dr. Kent about her influence on the expectation of the Deans to communicate with faculty senate caucus leaders. Meetings should be monthly and they should be about faculty concerns.

The duties of the caucus leader are given in the Senate Bylaws.

In a related topic, each of the standing committees should have a deputy chair to act as a backup to the chair and take over the responsibilities when and if needed.

Christina requested that the Executive Committee think about how to include the Caucus Leaders in some of our meetings or at least increase their role as an informational tool between the Senate and the university faculty.

A discussion ensued about what would be the best way to include caucus leaders into the informational chain within the Executive Committee.

Vicki suggested sharing the “minutes” of the meetings for Executive Committee and for Executive Committee/President’s Council, by posting them on the Faculty Senate web site as a way of sharing additional points of information.

Faculty Senate President’s report is another means of sharing reports from the caucus leader and committee chairs, since they are distributed about a week before the plenary.

Meeting adjourned at 5:40 pm.

Minutes compiled by Vicki Tate, Faculty Senate Secretary.