CLAS Faculty Finance Committee

Minutes of Meeting of November 9, 2009

Meeting called to order at 5:15 pm by Kennie Merz, Chair of the Finance Committee.

Other members present were Monika Ardelt, David Foster, Richard Hollinger, Michael Martinez, David Pharies, and Caroline Wiltshire. Members absent were Patrick De Leenheer and Andrea Sterk. Dean Paul D’Anieri was also present.

1. The minutes of the October 12, 2009, meeting of the Committee had been circulated by the Chair via email prior to the meeting. David Pharies moved for approval of those minutes, and Caroline Wiltshire seconded. Approved by acclamation.

2. Kennie Merz thanked Dean D’Anieri for attending, and asked how the Committee might best help the Dean and the College this year. David Pharies followed up with a question about Dean D’Anieri’s expectations for the Committee’s end of the year report. Dean D’Anieri suggested that the Committee might reflect on what Committee members have learned, as a way to identify and address the gap between the College office and the faculty in the working knowledge of the College finances. An example would be the broad outlines of the College budget (roughly $92 million from state sources, including both tuition and appropriations, $40 million in research support from grants, and $5 million from endowment returns and non-endowment fundraising).

3. The Committee and the Dean had a wide-ranging discussion on
   a. UF’s use of indirect costs from grants, including distributions to Departments and P.I.s;
   b. The limited availability of Foundation funds for the Dean’s use in addressing College needs (the Dean’s unrestricted fund of ~$250,000 helps to pay for receptions, contingencies, and idiosyncratic needs of the College);
   c. The overall University budget. UF is representative of a national trend among public universities of a decline in the ratio of state appropriations to tuition;
   d. The possibility of offsetting declines in state appropriations for higher education as UF and other state universities increase tuition;
   e. Expectations about this year’s state budget. Dean D’Anieri is not expecting a spring budget cut this year;
   f. The implications of RCM (Responsibility Center Management) budgeting for CLAS. The RCM coefficients are still being developed by the UF Administration, and the final algorithm is expected in December or January. CLAS and other academic colleges are expecting ~$16 million in additional revenue to be generated from “taxes” on non-revenue generating units (such as Housing);
   g. RCM incentives. The ratio of majors to tenure-track faculty in CLAS (13000 : 600) is higher in CLAS than in most (but not all) UF colleges, and is higher than most peer institutions. The RCM incentive structure favors an even higher ratio, which means that colleges will be trying to develop new
programs or resurrect old ones (eg., the BABA in the College of Business) to compete for students. Another major incentive will be in teaching graduate students who pay for themselves, such as students in Masters programs that are separate from the College’s PhD programs, PhD students funded by foreign governments, the military, or other sources, and self-funded PhD students;

h. The effect of RCM on the development of CLAS and Department Strategic Plans;

i. Dissemination of information about RCM. Dean D’Anieri would like the committee to play a role in helping to educate CLAS faculty about RCM and its implications for future CLAS budgets and policies.

4. The Committee agreed to wait until further information about the final RCM plan is available.

5. Meeting adjourned at 6:30 pm.

Respectfully submitted,

Michael Martinez