

Budget Priorities and Shared Governance Committees

Shared governance at state institutions of higher education involves academic as well as financial policies, as budgetary and fiscal decisions impact the academic mission of the institutions. Throughout Ohio many faculty senates have standing Budget Priority Committees. Charges vary, but generally these committees are tasked with examining the fiscal affairs of the university and recommending fiscal priorities to the faculty senate and university administration.

The committees' regular business involves meeting with finance officers to review projected and actual budget reports. Recommendations forwarded to their senate and administration generally concern the ordering of budget priorities for new or reduced funds and for reallocation of present resources. Recommendations can include specific dollar amounts.

On some Ohio campuses budgetary matters are not handled by a faculty-only committee, rather such matters fall under the charge of university-wide committees, made up of representatives of the administration, staff, and faculty. In these cases, faculty influence on budgetary recommendations and decisions appear to be diluted.

Responses from OFC campuses indicate that even with faculty-only Budget Priority Committees the power of these committees to actually shape budgets varies according to the degree an administration respects the role of shared governance.

Recommendations and Best Practices

Shared governance must be understood to include faculty input on financial planning and budget decisions.

Faculty Senates should establish regular standing budget priority committees, which make regular recommendations, not just during times of budget cuts or other extraordinary events.

Faculty Budget Priority Committees should review not just overall university budget priorities and reports, but also college-level budget information.

Members of faculty senate budget committees should also participate in the proceedings of any other college or university-wide budget committees.

Appendix A

Sample Committee Charges for Faculty-Only Budget Committees

University of Cincinnati

There shall be a standing committee known as the budget and priorities committee. It shall have seven members elected by the faculty senate, serving two-year staggered terms. The chairperson of the university faculty shall annually appoint an individual who is both a member of the committee and a member of the faculty senate to serve as the chairperson of this committee. The committee on committees shall nominate, when feasible, two persons for every vacancy of the committee.

The budget and priorities committee shall examine financial matters of the university and recommend to the faculty senate ordering of priorities for new funds and for reallocation of present resources, including specific dollar amounts. As feasible, the committee shall also suggest possible sources for new funding. One or more of its members may serve as faculty senate representative and liaison to all university committees responsible for budgetary and financial affairs.

Wright State University

The Committee will be responsible for:

- a. Requesting information from the university budget director and the university administration regarding university income and expenditures and all other items of budgetary concern, including projected and actual budget reports.
- b. Examining all fiscal affairs of the university.
- c. Recommending fiscal priorities to the Faculty Senate and university administration.

The chair of the Budget Priority Committee shall attend the Board of Trustee's Finance and Audit Committee meetings.

Faculty Budget Priority Committee Membership: The Committee shall be comprised of the Faculty President, Faculty Vice President, and one (1) faculty member from each college or school with Faculty Senate constituency representation selected by the Senate Executive Committee.

Appendix B

Sample Charges for University-wide Budget Committees

Kent State University

The Faculty Senate Budget Advisory Committee shall advise the president on budgetary issues at the university and division levels, which shall include, but not be limited to:

1. Periodically review the impact of RCM's [Responsibility Center Management Model's]
 - a. Effect on academic quality
 - b. Effect on unit performance
 - c. Allocation procedures
2. Recommend funding priorities consistent with the University Strategic Plan
3. Review requests submitted by all division for subvention or investment funds
4. Review requests submitted by all divisions to increase overhead
5. Annually review the University's performance according to established measures
6. Review enrollment projections used for budget modeling
7. Review the final draft of the University operating budget
8. Review the performance of non-academic service and support units
9. Appoint sub-committees as necessary to improve aspects of the RCM model and its functioning, e.g., training

Ohio State University

The committee shall have full access to all fiscal documentation necessary to perform the following functions:

1. Review, on a continuing basis, the fiscal policies and resources of the university;
2. Advise the president on the alternatives and strategies for the long-term and short-term allocation of university resources consistent with maintaining the missions of the university;
3. Analyze resources and budgets from an overall university-wide perspective;
4. Analyze resources and budgets in detail for centrally supported vice presidential units;

5. Advise the president, in the event of an imminent financial crisis, whether a determination of financial exigency is warranted; and
6. Report annually to the faculty council and the senate on the budgetary and fiscal condition of the university.