Report to Faculty Senate from Financial Affairs Committee, April 13, 2011
Re: Summer/Winter Faculty Stipend

Like many state institutions, Salisbury University has been required to make difficult decisions regarding budget allocations. Even in good budget times, resource allocation decisions are difficult and require strong representation from all affected parties. It is our belief that faculty members should play a meaningful part in this decision-making process. According to the senate bylaws, the Faculty Financial Affairs Committee is required to "work with appropriate committees and administrators to identify ways and means for participating actively and effectively in the budget-making process in order to advocate and advance faculty fiscal concerns." We feel that it is important that this committee have representation on such appropriate committees, including the Strategic Planning and Budgeting Committee. The SPBC plays an important role in determining how funds are allocated and these decisions affect faculty members, not only academically, but also financially.

Salisbury University is scheduled to receive a 6% increase in tuition beginning in the Fall 2011 semester. Salisbury University has long advocated for a structural adjustment in tuition to allow for appropriate financing. Beginning in the fall, the university will see a 3% increase in tuition as a step to make this adjustment with further tuition increases anticipated. There will also be a statewide 3% increase in tuition in the fall. Currently, summer and winter pay is directly linked to tuition and the administration has expressed concern over what impact the tuition increase will have on the budget. The administration had previously recommended that summer and winter stipends be frozen at the current levels so that the increase in tuition would not translate into higher faculty stipends. This committee rejected that proposal. After meeting with members of the administration, we are prepared to recommend that the faculty senate consider allowing winter and summer stipends to increase by the statewide tuition increase (3%) rather than the full tuition increase. Because the task of determining what tuition increases are statewide and what tuition increases are structural adjustments is not trivial, we are not comfortable making this a permanent policy; rather, we are recommending this as a one-time action. In addition, we have learned that decisions regarding the ways in which a structural adjustment will be used, if obtained, must be made prior to the structural adjustment being sought. (See the information below regarding the justification of additional funding and the allocation of that funding for strategic initiatives.) This fact is further justification for the Senate Financial Affairs Committee being included in committees such as the SPBC. Faculty members are significant contributors to the winter and summer sessions, and if revenue increases from these sessions, it is imperative that faculty members receive gains.

One of the initial justifications for freezing winter and summer stipends was because regular semester stipends are low. We agree that this is a problem that the faculty senate needs to address, but reducing winter/summer pay is not the right way to approach this problem.

Justification for additional funding and intended use:

Senate Bill 283, passed last year by the Legislature, opened the door for SU to request additional funding due to its historic underfunding. SU proposed a $15,000,000 increase in its annual budget to be generated by higher tuition and/or new general fund appropriations. As part of this proposal SU described how the $15,000,000 would be directed toward underfunded strategic initiatives. Briefly the allocation proposed was:

Student Retention Initiatives: $1.5 million

- $300,000: Center for Student Achievement
- $100,000: Multicultural Student Services
- $200,000: Disability Support Services
- $250,000: Honors Program
- $150,000: Additional Retention Initiatives - freshman seminars, Living Learning Communities, bridge programs, and graduate assistants
- $500,000: Academic Support Initiatives - updated resources to support our existing academic programs in the areas of research and engaged learning

Student Financial Aid: $10.8 million

- $8.4 million: Need-Based Aid - new students $2.2 million; transfer students $1.8 million; returning students $4.4 million)
- $1.8 million: Merit Aid - increase each merit award by $2,000 per student
- $576,000: STEM Initiatives

Facilities Renewal: $2.5 million

- $1.5 million: Upgrade of Existing Academic Facilities
- $1 million: Transformation/Renovation of Existing Space

The USM agreed that SU is historically underfunded and supported SU in getting an additional adjustment to its tuition. SU was allowed a 6% tuition increase for FY 12. (All USM institutions will be increasing tuition by 3%; SU was allowed an additional 3% pending final approval.) This additional 3% increase in tuition will result in $975,000 in new annual revenue to begin addressing the $15,000,000 in initiatives described above.

In addition, in Fall, 2010 the USM implemented its 2020 Strategic Plan, which you can find at http://www.usmd.edu/10yrplan/USM2020.pdf. SU's 2009-2013 Strategic Plan which you can find at http://www.salisbury.edu/president/strategicplanning/ dovetails very nicely with the USM plan. You can see exactly how SU fits into the USM Plan by navigating to http://www.usmd.edu/regents/agendas/fb021111.html and then clicking on Agenda Item 3.e.ii., fifth bullet. In the context of the USM Plan, SU plans to direct the $975,000 in new tuition revenue as follows:

Dollar Amount	**USM Initiative**	**SU Initiative**
$735,000	55% College Completion	Student Financial Aid, Achievement Gap, & Retention
$150,000	Research and Competitiveness	STEM (financial aid) and Graduate Studies
$40,000	Academic Transformation	Course Redesign
$50,000	Quality	Facilities Renewal

Although the combination of total tuition and State Appropriation was inadequate to cover the institution's mandatory cost increases for FY 2012, other institutional will be reallocated to cover the commitment to the strategic initiatives above.