

Faculty Financial Affairs Committee Report Academic Year 2016-2017

Committee members: Leonard Arvi (Perdue, chairperson), David Reick (Senator), Douglas Dewitt (Fulton), Audrey Schadt (Library), Michele Schelofer (At-large), Jessica Walter (Seidel),

On December 19, 2016, the faculty financial affairs committee met with Mr. Marvin Pyles, Ms. Rhonda Livingston and Mr. Tony Pasquariello. They discussed the fiscal year 2016-17 equity adjustments allocation including FLSA mandate. Given the uncertainty in FLSA with the new administration, better information will be available in January.

Provost has the faculty salary data which was shared with the respective school Deans. The school deans will decide on how, who will get equity adjustments. The information on this process/allocation decision is unclear. More information regarding this will be available for the appropriate school dean.

The Provost was provided payroll data proportional to each school. The expectation is Provost will work with the deans. Deans will finally decide on faculty pay adjustments.

State budget outlook: 2017 1% cut works out to \$550K for SU. No layoffs or furloughs but managed to meet these cuts by not filling vacant positions.

Expected 2018 budget is same, about 1% cut.

Questions on faculty salaries - actual expenditures (2012-2016)

Percent of faculty salaries to total expenditures decline from 20.30% to 19.67% (2014 to 2016) is due to the separate budget code for Faculty NTT-Instruction. Starting in 2016, it is reported as a separate line item. Previously it was part of Faculty T/TT

Requests: If any member has any questions/concerns, please email Rhonda and she will be able to get all the necessary answers.

Suggestion: Requested VP Finance and team to present to faculty senate in spring 2017 semester at one of the faculty senate meetings. By directly addressing concerns of the senators, it will help in fostering better relationship, understanding between faculty and administration.

On April 11, 2017, V.P. of Finance and Administration Mr. Marvin Pyles presented the SU budget to the faculty senate. Actual revenues, expenditures for FY 2016, current year 2017 budget as well as the FY 2018 budget plan was presented.

The committee met on April 24, 2017 with Ms. Rhonda Livingston and Mr. Tony Pasquariello. They presented the details of 2016 actual revenues and expenditures. All

questions pertaining to the information provided were answered. Some of the key highlights of their presentation are

Explanation of FY 2016 budget revenue sources:

Tuition and fees make up 38% or \$73M. Self-support income (from housing, dining and auxiliary - sports) brings in \$55M about 29% of the budget. 25% of SU's budget is from the state appropriation which is \$48M. FY 18 it will be approx. \$55,044,000

Auxiliary revenue – Residential is 33% and dining 27% (meal plan \$10-11M). Facilities fees help pay debt service on Commons (built on revenue bonds, 20 year life), athletics is 12% (mostly from the fees paid by the students).

FY 17 budget: moving to de-centralized budget process model to responsibility centered management to give units more ownership over their budgets. 299 out of 305 budget templates received from all units.

Strategic Planning & Budgeting committee provides input into the priorities of spending. Equity pay process pushed down from Provost to Dean. \$400,000 was the base but ended up spending a little more than that. \$280,000 was spent on faculty equity adjustments. Equity pay went out in January based on the recommendations made by VP and Deans.

Exempt-pay schedule adjustment went into effect on Jan 1, 2017. Cost to SU \$200,000 to bring up the salaries of those who were below the threshold.

FLSA for exempt staff ruling still not clear.

State of MD/US issued 1% take back. Enhancement requests are submitted to add to programs. SU has 1062 PINs that we have for full-time regular employees. There were 1067 PINs at start of FY 2017. The 1% budget cut led to losing 5 PINs – 2 in Academic Affairs, 2 in Admin & Finance, 1 in student affairs.

FY 18 budget:

\$30 million of the USM system's fund balance will be taken back by the state, of which an estimated \$1.2 million would come from SU. Flat budget, no merit or COLA funds. USM mandated non-exempt pay schedule adjustment approximately \$220,000.

Minimal chance to request PINs. We have no capital funds for buildings for FY 18. Proposed 2% increases in tuition and fees.

Could be another equity process in FY 2018 but no firm commitment yet.

To summarize, the committee worked closely with the administration in the budgeting process. Key details of the budget were presented in a timely manner not only the committee but the faculty senate as well. Also, the chair of this faculty financial affairs committee serves in the strategic planning and budgeting committee which meets every month. The new de-centralized budgeting process implemented as well the creating a new workflow to ensure transparency is being developed.