

Minutes of the Senate Budget Policies Committee
Friday, April 16, 2021
2:00-4:00 p.m. via Zoom

Members in Attendance: Tyler Bickford (Chair), Panos Chrysanthis, Gary Hollibaugh, John Mendeloff, Melanie Scott, Juan Taboas, Adriana Maguiña-Ugarte, Brian Smith, Ben King (SGB), Alex Sunderman (GPSG), JC Lee (Secretary), Emily Murphy, Frank Wilson, Amanda Brodish, Richard Henderson, Thurman Wingrove, Stephen Wisniewski, Chris Bonneau, Lorraine Denman, Lisa Parker, Susan Jones

Absent: Yolanda Covington Ward, Mackey Friedman, Immaculada Hernandez, Jennifer Jones, Wesley Rohrer, John Baker, Beverly Gaddy, Phil Wion, Dave DeJong

1. March Minutes: Approved

2. Matters Arising: Update on Attribution Study

TW: Attribution Study is not done yet, primarily because of loss of personnel (due to SERP); the person working on the report got promoted, and others are tied up with Budget Model redesign. Thurman's office doesn't have the resources to pull this report together right now, but Huron Consulting has produced a report that is almost the same, and Thurman suggests we wait until the new model is ready this summer, then use this instead. He doesn't think two sets of numbers (on both the old model and the new) would be a good idea anyway. Asks the committee whether there are questions or concerns.

TB: So, no Attribution Study this year. On the one hand, this report is important as the budget redesign process happens; but yes, as TW says, two sets of numbers (might be difficult to decipher). Notes that these numbers don't change wildly from year to year—though costs and revenues do vary across schools, which is interesting and worth looking at.

3. Committee Business: Nomination of Officers for 2021-22

TB: May meeting is May 5; the election closes midnight that day. We have three openings and three people running, and TB proposes we invite those candidates to the May 5 meeting. Departing committee members will not vote. Ben King (SGB) is graduating. TB nominates himself as chair, JC as secretary, and welcomes other nominations; nominations are open until May 5.

JT: Asks about election process and whether ballots are secret.

TB: Following the guidance of Robert's Rules, we usually hold elections by voice vote, though committee members can ask for a secret ballot.

JT: As chair of another committee, it was his impression that people prefer a secret vote.

TB: Notes that the default is voice vote but invites JT to ask for secret ballot.

JT: Asks for secret ballot.

4. PBS oversight: Report Back and Discussion of Meetings with PBC Members

TB: Met with Dietrich School PBC at the beginning of the month; has reached out to the Engineering PBC, but there seems to be some confusion about who the committee members are. The Dietrich School PBC conversation was interesting; Panos Chrysanthis, Alex Sunderman, Juan Taboas, and John Mendeloff took part. (Asks for their input.)

JT: Says it was informative; he also met with his department's committee, which seems pretty much defunct.

PC: Notes an effort in the Dietrich School to engage faculty with strategic initiatives, etc., to circulate documents, solicit opinions; yet there's no formal way to get feedback. Overall, the committee is too large (40 + people), and it seems some are uncomfortable talking. Thus, many committee members are passive recipients rather than active participants—they're informed, but not much action seems to arise.

JT: Agrees with PC's description.

TB: Recent surveys suggest that Dietrich School PBCs are consistently more satisfied, that they are given access to the information they need, etc., The consensus is that these PBCs spend much time on planning but comparatively little on budgeting. In terms of the passivity PC noted, the deans do most of the planning and decision making, then bring this to the PBC for feedback and approval. Asks what more active budgeting would look like.

Approving hires is a decision consistently made by deans: considers the possibility that PBCs would be involved in this.

AM: As a member of the PBC in the Dietrich School years ago, she notes that information was usually presented by deans, without much time to reflect after, and without much context provided beforehand: confirms passive participation. Perhaps rather than PBCs looking at line items on budgets, they could help to set priorities, as we do on this committee.

PC: PBC members noted that they are brought into the committee but not trained to understand what's going on. Perhaps education for committee members is what's needed. Also, the information is not necessarily getting to faculty in departments. Blee took part in the meeting, which certainly brings a weight, makes the work respected.

TB: With the new budget model, one priority needs to be governance within the schools, so this is timely. If we were working forward with the current model, we could give the rights and

responsibilities (guiding principles) already in existence to PBC members. Perhaps today we can talk about our priorities under the new system.

SW: Yes, and develop something for faculty and deans.

5. PBS Oversight: RCM Budget Model and Shared Governance

TB: Presented information on budget redesign to the Faculty Assembly Wednesday; an energetic response with much concern voiced, particularly that we're this far along in the process and many people didn't know about it. If we're moving forward with the new budget model July 1, then governance structures need to be strengthened.

Impromptu Faculty Assembly motion (TB puts in chat):

Whereas, The budget model redesign process is rushed. The lack of joint governance involving the Faculty Assembly is regrettable and needs to be remedied immediately. The current timeline is not compatible with shared governance. The "infrastructure development" phase of this process is critical and cannot be adequately completed in May and June.

Resolved: This process should be paused until the "budget model governance" structures can be developed with full participation of the Senate Budget Policies Committee, Faculty Assembly, and University Planning and Budgeting Committee.

TB: Committed SBPC to working on a formal list of concerns to bring back to the Faculty Assembly and suggests that today we brainstorm priorities.

In the Huron Presentation, we learned that Phase 1 and Phase 2 are complete; Phase 4 will happen in May and June. In conversation with colleagues at other universities, what he heard again and again is that faculty/staff/student participation—transparency and involvement—is crucial. Three areas of concern:

1. Strengthening shared governance within units;
2. RCM units are subject to cost incentives, whereas cost centers are not;
3. How those taxes get used is a decision that must involve faculty.

Asks Gary Hollibaugh and Chris Bonneau to talk about the Steering Committee's priorities.

GH: He's interested in the effects on rank-and-file faculty. As Tyler Bickford says, much time is spent discussing what costs will be taxed—i.e., the "participation fee"—and whether some fees should be taxed, what line items are to be included in "costs," attendance vs. tuition and how these should be allocated/counted. He wants to know how the university will develop governance structures to deal with this budgetary change, his opinion that most budget models are fine, as long as questions like how indirects will de-incentivize collaboration are addressed.

Questions that Huron doesn't think are important. He's not clear whether this has been presented to the council of deans yet.

SW: Yes, it has been presented; Huron has met with deans as a group and individually.

CB: Had a frank talk with Provost Cudd after Wednesday's meeting, communicated concerns about institutional structures, that this is an issue that needs to be addressed in advance. The tax level is not particularly a concern. Rather, it's oversight. Huron's presentation in January was "unhelpful." The process needs to engage stakeholders across the university, yet there's concern that shared governance institutions have not in fact been engaged. We have a path forward; we need to talk about what we want to see in these institutions (committees). Currently, all the discussion is at a high level, where everything looks pretty good.

TB: Asks Steve Wisniewski and Thurman Wingrove a question that came up at the Faculty Assembly meeting: Why now? Why this timeline? Notes that a more normal process is a three-year transition, while we're on an 18-month transition (from the old budget model to the new). If we do need to stand up shared governance structures, is the idea that we'll do this next year, even as the new model is set to get rolling July 1?

TW: Notes that this has been in the works for a while, that he has been hearing about it for a year and a half. Acknowledges that it is an aggressive implementation timeline, but that Huron says this is standard.

SW: An incremental model is fine but never fixes structural problems, and this is a priority. Looking at Pitt's timeline relative to other institutions, it's important to note that we are much farther along in terms of getting tracking infrastructure in place, thanks to Thurman Wingrove's team.

TW: Not many other institutions have Attribution Studies; we do, and this gave us a head start.

JT: The majority of faculty didn't know. We need to focus efforts at the school level, to get standardization across schools. One of faculty's main concerns has to do with the drive to increase revenue and how that will impact teaching loads: more learners, i.e., non-thesis masters. He is concerned this will put Pitt in the position of hiring more low-pay instructors. Asks how the parallel model of budgets work: What is the purpose of this parallel budget year when each budget operates so differently? Will this really be informative?

TW: Right, to implement the new model, the spending approach will be different. You can look at the funds (hypothetically) the unit would generate under the new model.

TB: Will there be enough information by December? What does the course of the year look like?

TW: Decisions will need to happen before the end of the 2022 fiscal year.

TB: Notes the need to disseminate a predictable formula so units can start planning.

MS: School of Medicine already operates under a hybrid RCM. Will this new model include the School of Medicine and other Health Sciences?

TW: Does not include the School of Medicine, but does the Health Sciences: Dental, Pharmacy, etc.,

TB: School of Medicine operates under a stricter RCM than the proposed model.

MS: Was Huron the company involved with software implementation in the School of Medicine? Their approach is to fix stuff as they go along, without having a model at the start, which seems not a good model for an entire budget.

SW: That's a totally different department at Huron. Software is being handled by Thurman Wingrove and his team.

PC: We met in the fall to prepare the budget (for 2023); this fall, we should be prepared to implement the new formulas/model, though how this transition will work is not clear.

TB: Asks Steve Wisniewski and Thurman Wingrove to address this.

TW: Come September or October, we likely won't be in the position to utilize the new model in the upcoming fiscal year (2023). We're going to have to figure it out as we go; focused on the here and now, and not really thinking forward that far.

TB: 2023 will be a transition year: we'll have solid information for 2024.

AM: After the Huron presentation, she's worried about staff (i.e., Thurman Wingrove's). Staff levels are down: Looking forward, who is going to develop the reports to make the new model run? Will people be hired to do this? Is concerned about workloads.

TW: Model uses current Oracle tools, and so will be integrated; we should be equipped to do the reporting.

TB: Asks if Steve Wisniewski and Thurman Wingrove are going to be running this.

SW: They will both be integrated into the process, but not running it.

TB: Asks if one person will be overseeing the RCM system.

TW: His budget office will continue to oversee the system.

TB: Anecdotally, there seem to be a lot of unpredictable consequences. For example, drawing students from other schools in an effort to try to raise revenue; or inadvertently doubling curricular offerings. The question is, who is making those decisions? Important that the academic side, the Provost, rather than the CFO, makes those decisions.

SW: This kind of oversight is already in place.

TW: His office will have more oversight over the tool itself, while the Provost's Office will continue to oversee the system.

BK: Huron presented this as provisional, but it all sounds pretty in place already.

SW: Ideally, during the parallel year, we get it right; more likely we'll have to tweak it. We can also scrap it and start over. He's confident that Huron will make this successful, or close to it.

CB: We won't go back to the old model. There will be a new budget in place. Expresses his confidence in Steve Wisniewski and Thurman Wingrove rather than the consultants. Local knowledge is crucial, and that gets lost. Arizona and Oregon went to RCM and 7, 10 years later, revamped yet again because it didn't work.

SW: Huron does continue to consult with some institutions five years down the road.

PC: His sense is that it's a done deal. Our hope is that Steve Wisniewski and Thurman Wingrove will fine tune it.

TB: We need to brainstorm about what will make this the best version for us. It would go a long way for Pitt administration to show up and communicate what's going on to Faculty Affairs etc., to listen to their priorities and goals, and in time for that feedback to be heard and integrated.

As JT said, he doesn't believe the current shared governance structure is going to work with this new model. This is an opportunity to re-think these structures and get administration involved in building them up. Huron may include some of this in their model, but we have existing structures, so rather than creating new structures, we need to work to strengthen what we have. UPBC is crucial in this regard.

Libraries have a unique status in this system, and we need to address this: ULS doesn't generate revenue; is primarily staffed by faculty; and there are worrying trends toward de-professionalization and treating ULS as a service rather than academic unit. Librarians reached out with worries about this.

AS: Asks about PBCs allowing for pay or course buyouts.

TB: They're not doing enough work for that right now, but as it is envisioned, paying members would make sense.

Draft Recommendations:

1. **Strengthen unit-level internal governance and support connections across schools and with University Senate**
 1. PBCs should be majority elected
 2. Elected members should elect a chair from their ranks, who will co-chair the PBC with the dean
 3. PBC faculty co-chairs meet at least once a term with each other and with Senate officers and SBPC officers
 4. PBC faculty co-chairs should have some role on UPBC in addition to at-large reps (Maybe rotating?)
 5. PBCs should be involved in budget decisions
2. **Participation/Transparency (UPBC? UPBC plus PBC chairs?)**
 1. Priority areas:
 1. Cost center budgets
 2. Strategic initiatives allocations
 3. Regular review process
 2. UPBC is already established for these types of roles. PBS allows for pay/course buyouts for participants, public meetings on significant issues, etc. UPBC should be strengthened and better integrated with school-level planning and budgeting.
3. **Status of ULS:** only unit staffed primarily by faculty that will probably be categorized as cost center. Needs special attention to prevent further erosion of faculty librarian rights/status
4. **Governance structures should not be new ad hoc committees.** Too many committees already. Need to make better use of existing structures; empower existing structures. UPBC is extremely under-utilized. Unit PBCs are weak, underutilized. Need to strengthen these rather than create new fiefdoms.

TB: Asks Steve Wisniewski if it seems possible to do the things on this list.

SW: He and Provost Cudd discussed the Provost's PBC, which has always been ad-hoc: responsibility historically is to review annual reports from Provost Area Schools, but that was put on hold because the reporting process has changed. Everyone is thinking about the best way to manage the process: the main concern is bandwidth, and time to get up to speed.

TB: Governance structures, as Huron sees it, are likely the Provost's and CFO' office; a multi-year review process, etc.,

SW: They talk about oversight committees too.

TB: The concern is standing new committees that aren't integrated into the existing system, thus making PBCs yet less active. Does it make sense to put on the table that UPBC and PBCs do this?

SW: Perhaps something between UPBC and the PBCs. UPBC is likely not part of the overall process of oversight of the budget.

TB: Oversight of cost center budget, for example, UPBC seems well situated to determine how taxes are spent, to decide how money is allocated to strategic initiatives, etc.,

SW: The steering committee hasn't gotten there yet.

TB: The concern is that a committee of 16 people, with two faculty members, will spend the summer trying to figure out governance structures that will have a significant impact on existing structures and lead to the creation of a new committee that makes the existing structure less relevant. We need to activate the existing structures instead. The timeline—by July 1—isn't compatible with activating shared governance.

CB: The more time we have for people to get up to speed, the more meaningful the input.

TB: Proposes to type up the Draft Recommendations, and that we as a committee, in May put this forth formally. Is there anything missing?

AM: Make sure other PBCs have student and staff representation.

TB: Looks for this in PBC rules.

MS: Because this information was sprung on the Faculty Assembly, that's the anxiety: people felt blindsided.

TB: Meeting with Faculty Assembly and SGB would go a long way. Will type up Recommendations and circulate to members.

Meeting adjourned at 3:43p.m.