

Resolution on strengthening shared governance as part of the University of Pittsburgh's budget model revision

Passed by the Senate Budget Policies Committee on May 5, 2021

Passed by Faculty Assembly on May 12, 2021

Passed by Senate Council on May 20, 2021

Whereas, the University of Pittsburgh is in the process of transitioning to a Responsibility Center Management (RCM) or decentralized budget model,

Whereas, the Senate Budget Policies Committee consulted with faculty budget committee chairs and others in similar roles at ten public AAU institutions that have adopted RCM budget models,

Whereas, we find that robust shared governance is the most significant factor in the success of RCM budget models at peer institutions,

Whereas, RCM budget models create cost centers that are not subject to the same revenue and cost incentives as the RCM units, which can create internal monopolies and undermine trust in the budget model,

Whereas, RCM budget models devolve decision making to the units, increasing the importance of unit-level governance,

Whereas, Pitt's [Planning and Budgeting System](#) (PBS) provides for collegial and representative structures for planning and budgeting at the school and university levels,

Whereas, the PBS requires that every unit has a Planning and Budgeting Committee (PBC) that is composed of a majority of elected members who participate in unit-level planning and budgeting (1.3.1),

Whereas the PBS does not clearly require that PBCs include staff and students in addition to faculty in their membership,

Whereas, recent surveys of unit-level PBC members raise concerns that not all PBCs are majority elected and that members are not always fully informed of their role in the larger University Planning and Budgeting System or fully included in budgeting activities,

Whereas, unit-level PBC members do not interact with PBC members in other units, with the University Senate, or with the UPBC, and there are no structures in place for PBC members to share best practices or to have concerns addressed beyond their unit,

Whereas, the PBS provides for the University Planning and Budgeting Committee (UPBC), which includes top administrators, deans, regional campus presidents, and representatives of faculty, staff, and students,

Whereas, the PBS encourages the UPBC to "consult with all members of the University community" (1.3.2) and to "solicit written comments and hold open meetings" (1.4), but in practice it has not undertaken such activities in recent years,

Whereas, creating new committees to manage the RCM budget model risks duplicating effort, diluting representation of faculty, staff, and student participants, and undermining clear lines of responsibility,

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Resolved, that a revised budget model must prioritize transparency and robust participation throughout the budgeting process, especially with regard to cost centers and strategic investment funds, and

Resolved, that a revised budget model should make use of existing committees, including standing Senate committees, the UPBC, unit PBCs, and other established collegial structures for budget governance, rather than creating new organs for budget model governance, and

Resolved, that as part of the budget model reform process, and prior to the implementation of a new budget model, the Planning and Budgeting System should be reformed to strengthen shared governance and representation of all constituencies in unit-level planning and budgeting and to support connections across Planning and Budgeting Committees and between PBCs and the University Senate, and

Resolved, that a process be established as soon as possible to include Faculty Assembly, Staff Council, the Senate Budget Policies Committee, and other relevant groups, to develop mechanisms to address these priorities.