

**Minutes**  
**Senate Budget Policies Committee**  
**Friday, March 16, 2018, 2–4 p.m.**  
**CL 1817**

**Members in attendance:** Elia Beniash, Tyler Bickford (secretary), Panos Chrysanthis, Emily Murphy, Wesley Rohrer (chair), Maddie Guido (SGB), Adriana Maguina-Ugarte (SC), John Baker, Phil Wion, David DeJong, Richard Henderson, Frank Wilson (Senate President), Katie Fike (UTimes), Amanda Brodish, Thurman Wingrove, Brian Smith (SC), Bob Goga (Institutional Research)

**Absent:** Anthony Bledsoe, Laura Fennimore, David Rowe, Shreyas Vamburkar, Beverly Gaddy, Art Ramicone

Meeting called to order at 2pm by Chair Rohrer

1. February minutes approved

2. Matters arising

- Rohrer: PBS oversight survey under way. Phase one survey of unit heads has gone out, results are due next Wednesday March 21. Phase two survey of PBC members will go out after that, members will have two weeks to complete. We will have results later this term. (Presentation scheduled for May meeting.)

3. Proposal for changes to Attribution Study, Thurman Wingrove, Comptroller

- Slide 1 Background
  - First study 1993, annually until 2007, since then sporadically. Most recent shared version 2012
  - Study displays
    - Unit direct revenue by
      - Unrestricted/operating/auxiliaries
      - Restricted funds
      - Sponsored projects
    - Support unit revenue and expense
      - Traceable
      - Assignable
      - General
- Example pages for Dietrich School from 2012 study, explanation of format of previous study
- Slide 2 further background
  - Study compiled by CFO staff
  - Preparation time typically 400-500 hours
  - Excludes School of Medicine
  - Last full study done in 2012
  - Study was completed in draft form in 2015
    - not fully vetted or shared

- Plan was to prepare the report on a three year cycle (2012, 2015, 2018, etc)
  - due to some opportunities we will be able to pull this together for FY2017
- Timing of future Studies to be determined going forward
  - New CFO and new Provost will have to weigh in
- Slide 3 Challenges/Opportunities
  - More complicated university—more complicated study
    - significant growth in revenues, assets, since 1993
  - Needs dedicated staff to complete
  - Largely Excel-based with numerous modifications over the years
  - New data warehouse and query tools from Oracle are available to prepare the study more efficiently
    - trying to get to the point where data gathering and data grouping are already done inside Oracle tools and we can produce the report more automatically
  - Steep learning curve with new tools
  - Need to revisit allocations
    - 25-year old report, allocations change, new responsibility centers (eg new SVC for research) must be allocated separately
  - Need to revisit certain accounting transactions
- Slide 4 Current Status
  - Old model torn down and rebuilt using Oracle Business Intelligence tool and Excel
    - doing old way and new way and hoping numbers tie in, if they don't we have to investigate
  - Still under construction and review
  - Numerous reconciliations still needed
  - Narrative being updated to reflect any changes
    - we should have complete or near complete report this term
  - Notable changes:
    - Support costs will be shown as an exhibit in order to see costs across all units rather than only per-unit
    - Tuition allocation shown under production method using average credit hours
      - Wingrove: in PeopleSoft tuition is provided to schools based on consumption (school of enrollment). But students in one school are taught in other schools. We're converting from consumption-based process to production (where are the students actually being taught). We've done that in the past, will tweak. In past you have to share credits between schools. Previously we would do that based on PA in-state tuition rate. Revamping the process to come up with an average tuition amount per credit to smooth over in-state and out-of-state differences, share revenue more appropriately. We're making sure that if one school is teaching a student they are getting revenue for that.
      - Chrysthansis: does ratio of in-state to out-of-state vary by schools?
        - DeJong: not significantly

- DeJong: to clarify, this is all for attribution purposes, not how money is actually moving to the schools. We should talk about the new procedures for moving money to schools, but that is a separate conversation. We are looking at business model, will adjust tuition incentive program (distributes money based on enrollments)
  - Closed session discussion of tuition incentives and budget process
  - Chrysanthis: what is Oracle Business Intelligence?
    - Wingrove: tool that allows us to do more analysis of our financial data
  - Rohrer: Are decisions actually made based on Attribution Study?
    - Wingrove: My office does not use it much, we look at it for certain trends over a long period of time
    - DeJong: I use it as a compass
    - Wingrove: it does enlighten you on how transactions work within the University
  - Closed session to discuss history of attribution study and different budget models
  - Revenue and expense line items revised to more closely reflect financial statement presentation
  - Various allocations have been streamlined
- Discussion:
  - Chrysanthis: how is this useful?
    - DeJong: one thing I have done is look at ratios of expenditures to revenues, and trends over time. Expenditures/revenue ratios are falling (largely because Commonwealth appropriation declines). Tuition has to do more work.
    - Wingrove: have to be careful because allocation methodology has changed over time (especially allocation of support costs)
    - DeJong: when we see a unit running a surplus, have to be careful. The whole university runs a surplus, which finances the capital budget
  - Rohrer: retrospective thanks to Phil Wion and others for initiating this study in 1993

#### 4. Mean and Median Salaries Report, Bob Goga, Institutional Research (Report available from [University Times](#) and in BPC Box folder)

- Each October we take a snapshot of employees
  - We use that data to report to Commonwealth the mean and median salaries of full time employees (faculty, staff, and research associates).
  - For this report we leave out research associates
  - Data from Oct 31, 2016, coinciding with FY17 data that Thurman submits to Commonwealth
  - Per state requirements, for each responsibility center we have full-time faculty and full-time staff, for each unit we provide number of employees and mean and median salaries
  - if 3 or fewer individuals we suppress data

- salary for 12-month faculty converted to 9-month equivalent (uniform way we report faculty salaries)
- Employee shows up in the RC in which their employment record resides
- For ULS we associate library ranks to professor ranks. In report to state librarians all show up under "faculty-other"
- Discussion of job classifications
- Bickford: our aspirational peers make individual salaries public (California, Wisconsin, Michigan), why don't we?
  - DeJong: we are not mandated by the state, those systems are. They say that when you transition from private to public salaries there are "five years of hell"
- Friedman: I would like to see us do more with staff data, like the comparative benchmarking data we have for faculty salaries.
  - Wilson: This is the report that is sent to the state, so it is also available from PSU, others.
  - Maguina-Ugarte: Not sure that the categories map on to the same jobs at other universities. Being more granular could be helpful because the top end of Other Professionals is close to the bottom of Executive, Administrative, and Managerial
  - DeJong: HR is currently revising the job titles to streamline them
  - Friedman: Right now HR publishes suggested salaries for staff positions. I would like to see how those line up with actual salaries, and how we compare to peer institutions.
  - Maguina-Ugarte: If we are more granular we would have to suppress more data for privacy
  - Bickford: regarding benchmarking, staff salaries are more likely to have non-higher-ed local institutions as the market for salaries
    - DeJong: HR does survey local market for comparisons, and we are also updating those comparisons

#### 5. Analysis of Salary Increases for Full-Time Continuing Faculty, Bob Goga, Institutional Research (Report available in BPC Box folder)

- does not include staff, only full-time faculty who are continuing employment from previous year
- excludes
  - faculty whose contract changed (from 12mo to 9mo or vice versa)
  - faculty who went from PT to FT, FT to PT
  - leaves of absence
  - changes of RC
    - does include CS faculty who moved to SCI
  - faculty with negative change in salary
  - School of Medicine clinical departments (does include SOM basic science departments)
- Discussion
  - DeJong: if you look at total salary changes, everything is substantially above the overall salary pool increase (1.5%). That is because the salary pool is just a bucket, not tied to individuals. If someone retires the salary pool goes up. If a full

professor retires and the salary goes back to the salary pool, often that position will be rehired at an assistant professor rank.

- Note that the averages always exceed the medians, because the distributions are skewed. In any given year most people get closer to what the salary pool increase was, but promotions, retention cases, mean a few people get relatively large increases.

#### 6. FY00-FY15 Cohort Analysis, David DeJong

- New cohort analysis will be produced for next year, but offering it here too
- % increase in key metrics from FY00 to FY15
  - Maintenance (if you received maintenance for 15 year) 29%
  - CPI 45%
  - Maintenance/Merit/Market/Equity 52%
  - Maintenance/Merit/Market/Equity Plus 62%
- FT Faculty/Staff in FY00, FT Faculty/Staff in FY15 (Excludes UPP Faculty; n = 182)
  - Headcount
    - Staff 1524
    - Faculty 811
  - % of cohort exceeding maintenance
    - Staff 98%
    - Faculty 94%
  - % of cohort exceeding CPI
    - Staff 92%
    - Faculty 87%
  - % of cohort exceeding M/M/M/E
    - Staff 76%
    - Faculty 80%
  - % of cohort exceeding M/M/M/E+
    - Staff 64%
    - Faculty 69%
- Among STAFF by Pay Grade Change
  - Headcount
    - Pay grade no change 557
    - Pay grade higher 627
  - % of cohort exceeding maintenance
    - Pay grade no change 99%
    - Pay grade higher 99%
  - % of cohort exceeding CPI
    - Pay grade no change 91%
    - Pay grade higher 98%
  - % of cohort exceeding M/M/M/E
    - Pay grade no change 73%
    - Pay grade higher 95%
  - % of cohort exceeding M/M/M/E+
    - Pay grade no change 52%
    - Pay grade higher 91%

- Among FACULTY by Select Rank Changes
  - Headcount
    - Full to Full 209
    - Assoc. to Full 154
    - Assist. to Full 86
    - Assist. to Assoc. 113
    - Assoc. to Assoc. 131
    - I or L to Prof. Rank 42
    - I or L Both Years 41
  - % of cohort exceeding maintenance
    - Full to Full 91%
    - Assoc. to Full 97%
    - Assist. to Full 97%
    - Assist. to Assoc. 89%
    - Assoc. to Assoc. 69%
    - I or L to Prof. Rank 93%
    - I or L Both Years 93%
  - % of cohort exceeding CPI
    - Full to Full 84%
    - Assoc. to Full 96%
    - Assist. to Full 97%
    - Assist. to Assoc. 89%
    - Assoc. to Assoc. 69%
    - I or L to Prof. Rank 93%
    - I or L Both Years 93%
  - % of cohort exceeding M/M/M/E
    - Full to Full 74%
    - Assoc. to Full 94%
    - Assist. to Full 95%
    - Assist. to Assoc. 87%
    - Assoc. to Assoc. 52%
    - I or L to Prof. Rank 91%
    - I or L Both Years 83%
  - % of cohort exceeding M/M/M/E+
    - Full to Full 56%
    - Assoc. to Full 93%
    - Assist. to Full 95%
    - Assist. to Assoc. 78%
    - Assoc. to Assoc. 37%
    - I or L to Prof. Rank 86%
    - I or L Both Years 66%

Baker: thanks to administration for including us in the discussion of the attribution study. I was senate president when the attribution study was discontinued, because in those days that was the only information we received. The reason the administration stopped was because some faculty

at the regional campuses took the attribution study to the administration. It is refreshing to get this kind of information and the committee should appreciate and acknowledge it.

Meeting adjourned at 3:52

Next meeting is Friday, April 20, 2–4pm in CL 1817