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## Guiding Principles and Processes for Administrative Budget Decisions

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# **The Faculty Senate's Guiding Principles and Processes for Administrative Budget Decisions<sup>1</sup>**

## **Principles**

In the spirit of trust and cooperation, and to seek mutually acceptable solutions to problems that affect all levels of the university, the faculty affirms the principles of shared governance as approved in the April 2009 Faculty Senate resolution and endorsed by Chancellor Jones. The faculty affirms the importance of open communication, transparency, and faculty participation in planning and decision-making processes. The faculty's goal is to protect and enhance the academic mission of the University of Mississippi<sup>2</sup>, the quality of educational opportunities provided to our students, and the livelihood of university employees. Thus, any administrative action should preserve the core requirements, values, and priorities detailed below:

### **Core Requirements and Values**

- Preservation of academic freedom to pursue scholarly activity without fear of arbitrary and capricious administrative actions
- Maintain the university's mission as a comprehensive research university
- Maintain university and unit level accreditation
- Optimize levels of student financial aid to maximize tuition revenue
- Preserve unit autonomy in determining curricula
- Protect productive teaching units, as compared to similar units in peer institutions, from reductions
- Protect highly productive scholars, as determined by the unit's promotion and tenure guidelines, from increased teaching loads
- Target actions/reductions in underperforming units (vertical) rather than across-the-board (horizontal) reductions
- Protect tenured and tenure-track faculty over other instructional faculty in accordance with AAUP guidelines
- Ensure that the reduction, merger, and/or discontinuation of programs results in material cost savings
- Permit students to complete degrees in programs targeted for elimination

### **Prioritized Budget Reductions and Implementations<sup>3</sup>**

1. Increase efficiencies in central administration and nonacademic units, whose budgetary allocations exceed NACUBO metrics from similar institutions
2. Economize utility costs (potentially through Green Initiatives)
3. Defer maintenance, repair, and renovation where safety is not compromised
4. Increase efficiencies through unit mergers that result in material cost savings
5. Reduce or eliminate academic support units
6. Postpone sabbaticals
7. Reduce or eliminate travel expenditures
8. Implement selective hiring freezes
9. Reduce the faculty workforce through early retirement incentives
10. Increase teaching loads or student/teacher ratios as determined by each unit
11. Reduce the faculty workforce in accordance with AAUP guidelines

## Processes

Ensuring that The University of Mississippi can continue to recruit and retain outstanding faculty for the long term requires acting with care and integrity, particularly when faced with implementing budget reductions or reallocations. Any evaluation of programs will utilize the best practices of *shared governance*, adhere to agreed-upon *processes*, use *evaluative criteria* established by consensus, and follow a published *timeline*. In addition, those making budget decisions must be accountable to constituencies within the university and must conduct their work in a transparent manner. Any administrative processes must incorporate the following guidelines:

- Transparency in and faculty participation at the highest level of decision-making (e.g., Faculty Representatives from Strategic Planning Council)
- Determination of the efficiency/productivity of university units will use agreed upon quantitative and qualitative criteria as compared to similar institutions, as well as national and regional standards
- Programs under consideration or targeted for reduction or elimination will have the right to appeal decisions through a formal process that includes principles of shared governance
- Termination of faculty conforms with existing AAUP guidelines approved in 2006<sup>4</sup>
- The final decision to reduce or eliminate any program rests with the Chancellor

## Appendix: Recommendations for Increased Revenue Streams

- Increase enrollment being mindful of graduate/undergraduate student ratio relative to SUNG peers
- Increase retention
- Increase tuition particularly where increases do not adversely affect enrollment (i.e., price elasticity)
- Develop incentives for teaching off-campus programs and online courses
- Develop incentives for seeking research grants and contracts
- Lobby for reimplementations of the funding formula
- Lobby for increased legislative allocation for higher education

## Notes:

1. In his address to the Faculty Senate on October 13, 2009, Chancellor Jones noted that the University faces a potential funding shortfall of \$19 million during FY 2011 and 2012 according to current state budget forecasts. This shortfall follows UM's loss of \$4 million in state support during FY 2010. Barring unforeseen changes in revenue from tuition and state appropriations these challenging economic times will require additional reductions and/or reallocations within the university's budget. The following document presents the faculty's recommendations regarding principles, processes, and criteria to be incorporated into the budgetary decision-making process in order to maintain the institution's ability to appropriately fulfill its academic mission.

2. The University of Mississippi is a public, comprehensive, research institution whose mission is to enhance the educational, economic, healthcare, social, and cultural foundations of the state, region, and nation. As a Carnegie Research University (high research activity), the institution's primary functions are the creation, dissemination, and application of knowledge through a variety of nationally recognized undergraduate, graduate, and professional programs, and through public service activities. The University educates students from not only the state, but also the nation and the world: to think critically; to communicate effectively; to be scientifically literate; and to understand and appreciate history, culture, and art so that they can live full, meaningful, and productive lives that contribute positively to society.

3. The Faculty Senate recognizes that other preferable reductions may be identified in future shared governance discussions.

4. AAUP *Recommended Institutional Regulations on Academic Freedom and Tenure* (2006)