

Report on the meeting of the Budget Advisory Group (BAG IV) to the University Senate and the Senate Executive Committee

March 21, 2011

This meeting was occupied with a brief discussion of sponsored research expenditures at UAlbany and more detailed discussion of department level metrics for operationalizing the strategies and priorities identified in the University's strategic plan as well as the financing of intercollegiate athletics.

Research Expenditures

Provost Sue Phillips distributed data provided by the Vice President for Research, collected by the National Science Foundation on research expenditures at UAlbany and peer institutions. Further clarification was needed on the scope and content of the survey.

Academic Affairs "Rough Metrics"

Following up on the prior meeting, additional attention was given to consideration of alternative budget scenarios for Academic Affairs for 2011-2012. The Provost provided additional detail on the definitions of the "rough metrics" used to translate the University's strategic plan and the reports of earlier BAG groups into budget figures. The guidelines and priorities set by these earlier reports have focused on supporting academic programs "on the merits", which include enrollment, reputation, and faculty productivity; and called for focusing resources on areas of "strength, reputation, and quality." These guidelines and priorities suggest a focus on enrollment, academic strength and reputation, and external revenue as the main criteria for academic units. Units which teach larger numbers of students, have stronger national reputations or bring in larger amounts of external revenue would receive some "protection" under a model based on these metrics and be asked to absorb smaller cuts than under an across-the-board allocation scheme. For academic support units, the unit's role in supporting the core academic mission, enrollment and retention, and student experience were the main criteria.

Two subgroups of the BAG IV members in attendance considered these "rough metrics" in detail. The set of rough metrics applied to academic units for "enrollment included the unit's share of the total credits awarded by the university, student/faculty ratios, and credit hours per faculty member compared to its departmental peers at other public research universities.¹ The set of rough metrics for "strength" included indicators of reputation (areas "for which Albany is known"), accreditation standing, and data from various internal and external evaluations and rankings (such as US News and World Report, the recent National Research Council ranking of doctoral programs, and so on). The rough metric for "external funding" included externally funded research expenditures per tenured or tenure track faculty member.

The two sub-groups were asked to evaluate the "fit" of the metrics with the strategic plan, and to indicate what features were desirable and which needed to be changed. As reported out to the entire

¹ The data supporting these measures is contained in a presentation by Bruce Szelest to an earlier BAG meeting which is available on the BAGIV website at http://www.albany.edu/budget/files/UDel_Tables_for_BAG4_3_2_11.pdf

group, there was agreement that the metrics did a good job of capturing the focus of the Strategic Plan on graduate education and external funding. Concern was expressed, however, that the metrics did less well in capturing the value of a comprehensive undergraduate program and its potential impact on the quality of undergraduates who attend UAlbany. Several suggestions were offered for improving the quality of the metrics in this regard, ranging from attention to placement rates and other market indicators, a cost/benefit analysis of individual departments, and considering issues of trajectory and potential for growth. It was agreed that there was no easy way to define what units are “core” or central to the university’s mission and that there was something of a zero-sum game between units which teach a lot of students and those which do more research and attract more external funding.

Institution-wide Budget Scenario #2: “Significantly Reduce Athletic Funding”

A third sub- group considered an institution-wide scenario which had been requested by BAG. This scenario called for a large scale reduction in funding for intercollegiate athletics and a reduction as small as possible to the schools and colleges. Some within the university community have argued that the athletics program makes no particular contribution to the university’s academic mission, while others have contended that the program contributes to the university’s educational mission and attracts support for the university from students, alumni, and the local community.

As described in an earlier report to BAG by the University’s athletic director, the current budget of Athletics is roughly \$13.7 million, financed by a mix of state funds (34 percent), the intercollegiate athletic fee levied on students (42 percent), external revenues such as ticket sales and scholarship funds provided by the NCAA (19 percent) and an allocation from the dormitory income fund (5 percent). Because of the need to levy fringe benefits on salaries paid from non-state funds, the bulk of the department’s state funds supports salaries, while non-state funds are used to support non-personnel costs, primarily scholarships.

While there is no official budget for 2011-2012 yet, the budget which BAG is using for planning purposes calls for an additional cut of roughly \$6 million on top of the reductions contained in a two year plan developed last year. The scenario which the sub-group considered called for a 50 percent cut in the state funds portion of the athletics budget and a one percent cut for the Schools and Colleges, with the remainder of the required reductions being distributed across the other Divisions and the support areas of Academic Affairs in an across-the-board fashion.

As expected, this scenario would generate a significant redistribution of resources from athletics to academic affairs. A 50 percent reduction in the athletic department’s state funds budget would eliminate approximately \$2.7 million, which would remove stateside funding for roughly 49 of the division’s 70 staff². Conversely, the Schools and Colleges would have stateside funding removed for an additional 11 FTE if it were required to absorb a one percent reduction (as compared to over 44 FTE if

² Since the department’s state funds budget largely supports salaries, the impact of the budget cut can roughly be measured by dividing the reduction in funding by the average salary of those positions that have already been eliminated to get an approximate count of the FTE that would have to be eliminated to realize the required savings.

cuts were apportioned on an across-the-board basis)³. Other divisions and the support units of Academic Affairs would have stateside funding removed for an additional 64 FTE under this plan.

The group was asked to address the same questions as the other groups concerning fit with the strategic plan, and likes and dislikes about the scenario. It was noted that athletics is not explicitly mentioned in the strategic plan, but has relevance to the strategic goals of providing a complete and rewarding student experience, attracting a diverse student body, and increasing the visibility of university activities in the larger community.

It was noted that a reduction of the size in this scenario would make it impossible for the University to retain its Division I status and force it to revert to Division III or some other lesser status. A move out of Division I would also affect the student intercollegiate athletics fee (currently 42% of the Athletics budget). However, such a scenario would unquestionably mitigate the effects of the current budget on the Schools and Colleges and might be favorably viewed in some quarters as an appropriate focus on the academic mission.

Concern was expressed that there might be adverse consequences. The University has received donations amounting to some \$1.5 million that are contingent on the maintenance of Division I athletics; if the University were unable to maintain Division I status and teams, these gifts would have to be returned. The loss of Division I status would likely cause an unknown number of athletes to transfer to other schools. Since most athletes are on partial, rather than full, scholarship, the tuition and fees that these students pay out of their own pockets might be lost to the university. It was argued that athletes represent a net plus for the university's educational mission—athletes have approximately the same grade point average as other students, and graduate at higher rates than students as a whole⁴. Athletics are one of the major sources of coverage of the University in the local print media. The effects of eliminating Division I on such university activities as development, sponsorships, and donations from alumni or others are unknown at this time.

It was also noted that while a reduction in athletic spending of this magnitude would be popular in some quarters, it would be extremely unpopular in others. It was proposed that a broader examination of all the stakeholders involved in such a decision and their interests might be of considerable value and should be considered.

³ It will be remembered that colleges and schools have staff and support positions as well as faculty.

⁴ Evidence on the academic performance and standing of UAlbany athletes has recently been presented to the University Senate and the Senate Executive Committee by the university's faculty athletic representative. This presentation can be accessed from the Senate website at <http://www.albany.edu/senate/5569.php>