

Minutes for University Budget Committee Meeting
Academic Center 252 – Faculty Lounge
April 1, 2013 – 10:30 am

Attending:

Karen Karmioli, Convener

Ed Gibson, Secretary

Jacob Goldberg

James Hale

Mary Maher, Assistant VP for Human Resources (ex officio)

J. C. Weiss

Barbara Aughenbaugh, Associate VP for Administration and Finance (for Harry Schuckel)

David Bobart, VP and Chief Information Officer (CIO)

Dan Gerlowski, Governance Steering Council Chair

Absent:

Jamaal Vetose

Joe Wood, Provost & Senior VP for Academic Affairs (ex officio)

I. Minutes of the March 11 meeting already had been approved (electronically) and forwarded for posting on the Governance Steering Council (GSC) website.

II. Presentation by VP & CIO on technology replacement funding given:

- An electronic version of the presentation was provided to the Committee for posting on a secure file location. Some facets of the presentation are not appropriate for web-accessible sites, such as the GSC site where minutes are posted. Summarization of the presentation and the question-and-answer session that followed are provided below.
- Before he addressed funding needed for infrastructure replacement, the CIO reviewed the Office of Technology Services (OTS) organization. This review addressed several themes, in addition to describing the units and responsibilities that compose OTS.
 - o An emphasis on analytical work has caused a core group of OTS staff to focus on articulation and documentation of requirements, which are important for ensuring delivery of the needed solutions.
 - o Another crucial element of delivering the solutions that are needed by OTS's customers (the rest of the University) is proper project management. OTS uses "project portfolios" to ensure projects are tracked and managed to completion. The analysts (above) embedded within each OTS unit are termed "project partners" and are responsible for portfolios, which enable visibility to and prioritization of the ongoing projects, as well as integration with the capacity planning process. Project proposals are originated throughout the University and, depending on size, may require business case analysis, but always require charters, so that the purpose and scope of each project is clear.
 - o Some of the projects that have benefited or are benefiting from the project portfolio process are the PeopleSoft financial/enterprise resource planning (ERP) upgrade—completed earlier in the year; the migration to Windows 7, nearly finished; and integration of ARTSYS, which is a USM system, and the

degree audit initiative, which includes a project to automate much of the process of assigning transfer credit (will contain 40,000 courses from other USM institutions).

- OTS has developed a valuation system for the infrastructure under the CIO's responsibility. Based on this experience it is clear that valuing infrastructure is not a straightforward task, for a number of reasons:
 - o Aggregating the values of separate components is complex due to the multiple periods involved, various types of replacement/replenishment activities (full vs. component replacement), volatile price trends, maintenance spending to stretch replacement cycles (see below), and major technology shifts. As an example of the last item, it is virtually certain that the University will never again replace its telephone system with anything comparable (a stand-alone system), due to the integration of digital technology and voice capability, overall changes in the industry, and the emergence of cloud-based alternatives.
 - o Another fundamental issue with budgeting for infrastructure replacement is that the useful life of different components varies widely. Communication switches used in networks typically require replacement at six-year intervals; servers, which host applications such as the PeopleSoft suite, email, and file service, at five years; and desktops and laptops at four years. These intervals can be stretched, but only by incurring other costs, such as extending support through the original vendors or third-party providers, who often purchase after-market components to maintain support. Ultimately, the risks of extending useful life beyond recognized replacement intervals may lead to audit findings from legislative auditors (audits at three-year intervals) or USM auditors (annual audits) and service outages of undesirable lengths.
 - o Annualizing the replacement requirement requires accounting for the cost and interval of replacement. OTS has estimated using one of the models that \$1.55 million is required annually for replacement of the current infrastructure. This figure appears to be the source of the incorrectly reported "\$1.6 million deficit in the ongoing replenishment of information technology hardware, software, and infrastructure" (3/11 meeting minutes). The actual figure is clarified below. However, it was noted that some types of equipment, such as personal computing and video surveillance, were not included in the valuation activity so that, depending on what is included, the actual ongoing replacement cost is higher.
- The CIO has determined that achieving the proper level of funding for the replacement of the identified infrastructure requires the current annual allocation of \$500,000 per year to be raised by \$250,000 per year for three consecutive years. The ultimate result of the increases would be an annual allocation of \$1.25 million for FY2016. This figure represents a reasonable level of funding annually to maintain infrastructure, rather than the \$1.6 million figure recorded in the March 11 meeting minutes. Funding required beyond this level would need to go through the supplemental budget process on a yearly basis. It was noted in the presentation that this estimate does not include replacement in the law school facility and that additional funding will be required in FY2018 to address this. Also, funding of

- \$120,000 annually for replacement of faculty infrastructure is recommended. The following issues pertain to the recommendations for increased infrastructure funding.
- The installed base of hardware for which OTS is responsible approached \$8 million in Fall 2012. After addition of infrastructure in the new Law School building, the value of infrastructure under OTS responsibility will be nearly \$10 million.
 - Needed replacement has been deferred already, for example, attempting to get a sixth year of operation from a number of servers and postponing hardware upgrades in leased space, such as the human resources and OTS offices on Charles Street.
 - Timing of infrastructure maintenance is a consideration for providing ongoing funding, because hardware and software upgrades have to be scheduled for “windows” of availability, for example, between semesters. Previously, the windows of availability had been confined to periods of University-wide inactivity such as the winter holidays. Without a predictable funding stream sizable enough to allow planning, scheduling, and purchasing replacement infrastructure in advance, windows of availability may be missed.
 - The recommended \$120,000 of annual funding would be designated for faculty’s infrastructure needs. The current funding of \$25,000 is inadequate, since it only suffices for equipment for new faculty. For FY2013 it has been partially reallocated because the monies were used to replace faculty equipment lost to thefts.
 - The CIO provided a subsequent update to the presentation relating to the fund proposed for faculty upgrades (attached), which will be available with the briefing in the secure file location. The conclusion of this update is that, due to cost savings created by OTS contract renegotiation, the \$120,000 fund will not be requested for FY2014. After FY2014, the faculty replacement budget will be re-evaluated based on a fiscal year’s worth of experience and additional funds requested if needed.
 - In response to a question, the CIO elaborated that virtually all personal computing for faculty use is funded from the schools’ budgets. Because OTS supports this infrastructure, the varying conditions of computers provided to faculty among the different schools are apparent and have become of concern. The requested funding would support needed replacement of the oldest computers first.
- General questions and answers followed the formal briefing.
- In response to a question about the University’s embrace of cloud computing, the CIO responded that a number of applications were already operating on the cloud (outside of University-sited infrastructure), for example, the Sakai on-line instruction environment, and more were on the way, for example, the faculty productivity profile. Questions were raised about the expenditure on cloud-based software for the assessment of student learning outcomes and whether that could be cost-justified, given the effort on instructors’ part to maintain the data. The CIO responded that this application was being developed in conjunction with Academic Affairs, which was the organization that must be relied upon for judging its utility. Another discussion centered on

the possible movement of student email to a cloud computing environment (similar to UMBC, which uses “Google Mail” for student email accounts), potentially followed by faculty email. Requirements for security and confidentiality of faculty email content should be considered as comparable to those of staff, according to some committee members.

- The question was raised of how OTS could steer information technology at UB in a direction more conducive to meeting the needs of students requiring instruction described as remedial. The CIO referenced the partnership between OTS and the Center for Excellence in Learning, Teaching, and Technology (CELTT). As part of this collaboration, instructional technologists are examining how to network classroom technologies. A cohort of (primarily) faculty focused on E-learning is being assembled under the auspices of CELTT to explore instructors’ capacity to appreciate students’ progress in their coursework and learning behaviors and develop strategies for improvement. These strategies may interact with and benefit from capabilities such as web-casting, which the classrooms in the new Law School building feature, as do a number of other classrooms that have been retrofitted with these technologies. In response to a question about the impact of lecture capture on class attendance, it was agreed that there could be impact, but that there may also be utility for students to review and re-view instruction.

III. Updates on shared governance provided:

- Staff Senate member(s) provided an update on the Staff Senate. The bylaws have been approved to formalize committee selection processes, length of assignments, and the like.
- Faculty Senate member(s) provided an update on the University Faculty Senate (UFS). The *Academic Goals and Priorities* document has been endorsed by the UFS along with a qualifier citing a concern of faculty resource sufficiency to enact large swatches of the goals in the plan in a meaningful and sustained way. The UFS was told that the goals document would provide input to the strategic planning process underway on campus.
- A recommendation was made that the document reporting the findings of the enrollment study group should be shared with those involved in shared governance. An observation accompanying this recommendation noted that much of the general concern in this area appeared to be the result of misinformation, so that better dissemination of information would elevate the discussion of these issues.
- Student Government Association (SGA) member(s) reported that there was no meeting due to Spring Break.

IV. Future meeting agendas updated:

- The VP for Planning will attend the May 6 meeting to update the committee on UB’s advertising, marketing, and recruitment efforts and associated financial requirements.

V. Information posted on budget-related websites addressed:

- There was an inquiry about the dissemination of information (for example, the budget timeline) contained on the portal and the UB website under the Office of University Budget. The issue was raised that the University community may be unaware of this information's availability and therefore not accessing it.
 - o It is unclear whether the University community at large is aware of the budget call memoranda, budget timeline, and other aspects of the budget process.
 - o A request was made to A&F regarding the FY14 budget call memos that were recently disseminated and having them located electronically for the university community to review (via the portal or webpage).
 - o Because there are two main locations for budgetary information—located at [the UB website under the Office of University Budget. Select FY 2014 Budget Development] and at [the UB portal on the MyUB Home page – Budget section. Select 'Read more' for the details.]—committee members discussed the issue that those not intimately involved in the budget process may overlook information related to this process, simply because they are unaware of where to look for it.
 - o Various mechanisms were discussed for broadcasting which information is located where, including the daily digest; other email distributions; shared file locations (appropriate for information that should not be on web-accessible sites); and the like.
- The committee requested Adobe-formatted (.pdf) reports such as prior-year actuals and year-to-date budgeted vs. actual spending be made available as Excel-formatted spreadsheets. The AVP A&F requested that specific reports be identified, so as not to have confusion about the request. The committee will provide the AVP A&F with “screen shots” from the Office of University Budget website, with the needed reports circled or otherwise identified.
- The committee noted that maintaining committee members' access to confidential information, such as the briefing from the CIO and financial data or resultant analyses that are not public, will require a secure file location.
- The motion was made and seconded that the committee request an “S: drive” or “T: drive” location to maintain materials confidentially. The motion passed unanimously.

VI. Joint meeting with the Governance Steering Council on April 10 discussed:

- The chair of the GSC discussed the meeting, using a town hall format, to discuss inputs to the budget process (the committee has been invited and was urged to attend) on April 10 at 12:30.
- The purpose of the meeting, which will be hosted by the GSC, is to have a full airing of the priorities considered in the formulation of the budget. Another meeting is anticipated in the late-May/June timeframe to discuss the allocations that actually have been made. The following discussion concerned the April 10 meeting.
 - o The timeframe for coalescing priorities, obtained from various constituencies that the governance groups have queried, is quite narrow. It is not clear when

the senates and SGA will have the opportunity prior to the April 10 meeting to vet and consolidate competing priorities.

- The “Developing Institutional Priorities” list, which has been the focus of much of the committee’s discussion, was questioned as being a potentially narrow basis for discussion. The response clarified that the priorities on this list were not intended to foreclose discussion. The concern was amplified that the type of items on the list were not conducive to strategic-level discussions. For example, there were not items on the list related directly to outcomes such as making the learning environment more conducive to student success, adopting experiential learning, or enhancing pedagogical strategies to address the needs of students requiring instruction described as remedial. These items were illustrative of the content of the *Academic Goals* document. A specific concern was the perceived inability to fund some important activities related to learning outcomes in the past.
 - An initiative for writing improvement among students was offered as one example. This initiative is important for students who lack the capacity to demonstrate their command of material due to the inability to communicate it clearly in written assignments.
 - Insufficient funding in past years for the writing initiative exemplified the difficulty in funding what appear to be strategically important priorities. A more general requirement to have smaller class sizes and more availability of instructors to work with students on their writing was given as another example of priorities difficult to integrate into the budgeting process.
- Additionally, it was noted that the “Developing Institutional Priorities” list is based on ‘incremental’ budget dollars rather than ‘base’ budget dollars. The committee should look to review and discuss the broader base budget dollars in the upcoming sessions.
- The tension between the learning-related objectives that do not have clear placement among the contemplated budgetary actions and the items on the “Developing Institutional Priorities” list, which appeared to some committee members not to have direct connections to learning, poses a challenge for the consideration of priorities in the April 10 meeting and beyond.

VII. Response to SVP A&F’s request for questions relevant to budgetary issues:

- A notional report responding to the question “What proportion of the resources devoted to instructional and academic support activities at UB can be attributed to FT faculty versus other types of instructional and support resources?” was distributed as an example of the type of report directed at a specific area of concern, which ultimately could be produced automatically. The report was a cross-tabulation of program by object of expense, with salaries subdivided by type of resource, for each 2xxx division.
- Discussion of the question and report was deferred due to the impending adjournment.

VIII. The next meeting will be held on Monday, April 22nd from 10:30am – 12pm in the Provost’s Conference Room.

IX. The meeting adjourned at 12:02 pm.