



**THE UNIVERSITY
OF ARIZONA**

Strategic Planning & Budget Advisory Committee

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**THE UNIVERSITY OF ARIZONA
STRATEGIC PLANNING & BUDGET ADVISORY COMMITTEE**

ANNUAL REPORT 2019-2020

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KEY COMMITTEE ISSUES AND ACTIONS

1. RE-ENVISIONING SPBAC: MISSION AND GUIDING PRINCIPLES

A key task addressed in AY 2019/2020 was to redefine SPBAC goals and functions in light of the committee's decreased involvement in strategic and budget decision-making. SPBAC Guiding Principles were discussed and put to the test on several occasions throughout the year, addressed in SPBAC reports in Faculty Senate.

The committee conducted small group exercises to determine priority topics for SPBAC. These are:

- a. annual budget changes
- b. RCM model / allocations
- c. faculty / staff / GA hiring and compensation
- d. student recruitment and financial aid
- e. strategic planning and strategic priorities

For these priority topics, SPBAC role in decision-making is consultative; however, SPBAC expects to be involved in early stages of decision-making, and not to be informed retrospectively after significant decisions have been made by senior leadership.

2. FINANCIAL YEAR 2020 BUDGET

The second dominant topic for SPBAC was the university budget. The budget reallocation process for FY2020 was of great concern to SPBAC members and has led to increased sensitivity regarding SPBAC's (and faculty's) involvement in major budgetary decision-making. SPBAC played no role as consultative organ of shared governance with respect to the budget reallocation.

The need for the budget reallocation arose from net tuition flattening which required a reallocation to solve immediate budget shortfall. Net tuition revenue was expected to be down \$26 million due to changing demands/expectations from students and the higher discount rate offered to students as an outcome of the strategic goal to increase the quality of the incoming student cohort (a decision also not significantly discussed with SPBAC). The budget was updated in the fall and the reallocation implemented in the spring. A total of \$36 million had been reallocated; Provost Folks and CFO Rulney explained the basics and mechanics of the budget reallocation in several SPBAC meetings. Rulney presented details on threats to growth including possible future economic downturns and continued divestment in public higher education.

SPBAC members expressed deep concern about the lack of involvement of SPBAC in the deliberation phase of the budget reallocation process and expressed that – in such situations – SPBAC needs to play a consultative role prior to implementation of budget cuts. The process highlighted the need for a review of SPBAC role and process, as well as the perceived obligation senior leadership has in involving SPBAC. To provide timely and productive support, SPBAC co-chairs suggested that the committee could work in smaller groups for focused and timely feedback to senior leadership; that SPBAC meeting schedule could be changed to focus on recurring budget themes; that data updates could be integrated into each meeting session to provide better basis for ongoing dialogue about budgetary concerns.

In light of the unprecedented negative impact the coronavirus (COVID-19) pandemic has for the university, SPBAC switched the later half of the spring meetings to a different format, focusing on updates from the Financial Sustainability Emergency Response Taskforce in an effort to provide consultation for the rapidly evolving financial crisis of the university. SPBAC members were appointed to task force working groups.

3. FACULTY AND STAFF COMPENSATION

Compensation was a central topic for SPBAC. Specific topics addressed this AY were: UCAP, faculty compensation and pay equity, merit increases, and furloughs.

Jan Myers, Director of Compensation, presented on matters of UCAP and faculty compensation including timelines and project milestones. Fifteen different pay structures were modeled based on peer groups and benchmarks. The pay structure was targeted at the market medium. A phased-in implementation strategy had been recommended and started in January, 2020.

Faculty pay equity was a topic discussed on a recurring basis, with Provost Folks presenting on project progress in several meetings. The pay equity review began with the objective of looking for systemic inequity in base salary on the basis of gender, race, and/or ethnicity. A legal review in late 2019 found no such systemic issues. The next step was an internal review for non-systemic issues beginning in early 2020. Recommendations and salary adjustments were completed in March 2020. An elective review process is ongoing. Salary adjustments are planned to be honored despite budget cuts due to COVID-19.

The process by which merit increases should be implemented was another topic of concern to SPBAC. A survey among SPBAC members was conducted to identify preferences for merit increases on the college/department level versus a centrally funded approach with institution-wide guidelines; the inclusion of graduate students in the same merit increase program; the timeline for implementing merit increases and other details. Provost Folks expressed that the responsibility to compensate employees appropriately is not tied to only those units which generate a budget surplus. The potential positive impact on faculty morale and stress levels was considered by the committee with transparency of the merit increase process emphasized.

Finally, in late Spring 2020, SPBAC discussions were dominated by senior leadership's decision to implement a furlough to meet the need for substantial decrease in expenditures due to COVID-19 crisis. SPBAC members again noted with concern that SPBAC was not involved significantly on the issue, or size, of the furloughs. Given the need for rapid decision-making in the evolving budget crisis, SPBAC co-chairs suggested that SPBAC needs to be represented in the SLT (Senior Leadership Team). SPBAC members were polled and agreed to continue SPBAC meetings during the summer months of 2020.

4. GRADUATE STUDENT STRATEGIC ISSUES

Meg Lota Brown, Director of the Graduate Center, and Andrew Carnie, Vice Provost and Dean, Graduate Education, led a discussion on the Graduate Center and professional resources provided to graduate students. Members were informed about graduate assistants and associates' workload and compensation based on a workload survey conducted in 2017 and repeated in 2019. Carnie provided recommendations to the committee including the creation of a systematic way to ensure graduate assistants and associates receive reviews and feedback, creation of an infrastructure to allow contracts to be circulated to graduate assistants and associates, investment in a TA training program and investing in mentorship training for faculty and graduate students, and the creation of clear policies on GA workload. Finally, he suggested a minimum stipend amount based on cost of attendance less tuition, extending the full tuition benefit to .25 graduate students, and the creation of a tuition insurance pool. The committee plans to revisit these recommendations to review progress made.

5. STUDENT ENROLLMENT AND RETENTION

Kasey Urquidez, Vice President, Enrollment Management, presented to the committee an overall snapshot of enrollment and updated the committee on the 2025 and 2035 enrollment goals including the current status of academic quality goals. The survey of admitted students indicated that affordability replaced availability of a desired program as the No. 1 reason students chose UA. Urquidez addressed

demographic changes including the projection that traditional student numbers are not expected to increase. Committee members discussed concerns surrounding revenue streams and the role of financial aid in recruitment.

Cynthia Demetriou, Vice Provost, Student Success and Retention Innovation and Roxie Catts, Principal Advising Officer/Director, Advising Resource Center, informed the committee with regard to Student Success and Retention Innovation (SSRI) activities and initiatives. Committee members discussed avenues for formalizing the advice that faculty provide to students and expressed the need for student representation on committees. SPBAC has a particular interest in issues surrounding financial aid initiatives and cost of attendance.

6. EQUITY, INCLUSION, AND TITLE IX

Ron Wilson, Vice President, Equity-Inclusion and Title IX Administrator, presented to the committee regarding the newly formed Division of Equity, Inclusion & Title IX. Committee members discussed related issues and concerns with Wilson, including the need for more alumni of color for students to engage with, financial and retention support, mandatory training including implicit bias training for search committees and promotion and tenure committees, and training sessions that are specific to concerns unique to Arizona. Committee members suggested to build an accountability structure into training, and supported the offer of a mandatory training on Title IX. A Title IX-training for all SPBAC members could not be completed due to personnel changes in the new division.

7. STRATEGIC PLANNING

A focus area for SPBAC is strategic planning, specifically the newly implemented Strategic Plan. In fall, Jane Hunter, Vice President, Strategic Initiatives, presented an overview of the progress made with regard to the implementation of the Strategic Plan. There were 65 strategic initiatives in total, and 65% of these had been launched at the time of Hunter's report. She also updated the committee on strategic plan communications including the formation of a group to evaluate existing communications about the plan and identify ways to optimize communications. Committee members expressed concern about how the Strategic Plan and goals are to be aligned with college-specific strategic plans and goals, and repeatedly noted that faculty involvement in the development of the plan, its "pillars" and initiatives was low. Hunter discussed with members ways SPBAC can be of assistance in the further implementation of the Strategic Plan. SPBAC co-chairs suggested that a new model of SPBAC inclusion in the early stages of strategic planning is needed to make best use of the committee's consultative function.

Due to the COVID-19 budget crisis, issues of strategic planning were underrepresented in SPBAC discussions during the spring.

8. ARIZONA ONLINE, UA GLOBAL, DISTANCE RECRUITMENT STRATEGIES AND MARKET POTENTIAL

SPBAC discussed UA Global initiatives and the status of Study Abroad. Brent White, Vice Provost, Global Affairs updated the committee about strategies of UA Global, specifically with regard to micro-campuses, and provided details on the process for developing a new micro-campus. He responded to questions from committee members regarding micro-campus faculty and enrollment. White provided information about issues that have arisen with micro-campuses including the early impacts of the coronavirus.

In another session, SPBAC discussed the revised UA Study Abroad Program's objectives and goals, specifically the plan to become the national leader in study abroad. White discussed the financially-motivated need to triple the number of students on faculty-led programs, and the need to increase the number of students on exchange programs six-fold. He indicated UA has one of the largest study abroad

programs in the nation but is not ranked within the top 10. Committee members expressed concerns that neither SPBAC nor faculty had been significantly involved in the revision of Study Abroad, and also questioned the goal-setting process, noting that there is unclear benefit for UA in attempting to be among the “Top 10.”

SPBAC CO-CHAIRS’ FINAL REMARKS

In light of changes on senior leadership and SPBAC level in the fall, and the failed shared governance process with regard to the Spring 2020 budget reallocation, we make the following recommendations:

1. Implementation of Shared Governance Principles on Senior Leadership Level

We recommend that faculty members elected by the general faculty be included in the membership of the Senior Leadership Team on a continuous basis (also after COVID-19). At minimum, we expect the Chair of the Faculty to be included, preferably also a SPBAC co-chair. This serves to shorten the communication channel between senior leadership and faculty, increases transparency and perceived goodwill, and speaks to the shared governance principles we uphold.

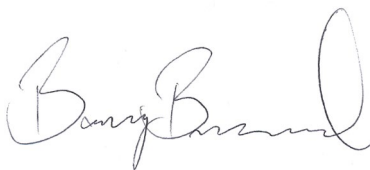
2. Faculty Advisory Board to the Chief Financial Officer

We recommend the institution of an Advisory Board to the CFO consisting of the Chair of the Faculty, SPBAC Chair/Co-Chairs, and faculty members, for example appointed from the pool of elected faculty members serving on SPBAC. This enables continued, timely and more informed consultation with SPBAC in ongoing budgetary issues, as well as transparency of the shared governance process in terms of budget issues.

Under its current leadership, SPBAC has undergone a repositioning process. As a result, SPBAC co-chairs have proposed to implement following changes for the future (past COVID-19 crisis):

1. Implement a schedule of recurring topics based on identified priority topics (see above)
2. Providing SPBAC members with a monthly scorecard with metrics on priority topics based on a strategic initiative for UAIR
3. Reconfirm the role of SPBAC with university leadership.

It is our hope and expectation that decision-making processes in SPBAC priority areas, and other areas of university-wide budgetary and strategic relevance, will involve consultation with SPBAC in early stages of the decision-making process to enable a pro-active and consultative function for SPBAC. We wish to provide efficient decision-support for senior leadership, while also working effectively in the shared-governance process.



Barry Brummund
SPBAC Co-Chair



Sabrina Helm
SPBAC Co-chair