Budget Transparency Committee minutes

March 21, 2019

Members Present: Susan Czechowski, Betsy Perabo, Khaled Zbeeb (via CODEC)

Guests Present: Angela Bonifas, Letisha Trepac

Members not present: Gloria Delaney-Barmann, Stacey Macchi

1) **Purpose and form of the BTC committee’s report.** We discussed what the purpose of the BTC committee report should be. Some comments from over the course of the meeting: what changes do we anticipate suggesting as a result of this report? Has any metric been discussed, at any level, for evaluating the campuses separately? And if there is no reasonable expectation that the administration, BOT or state will consider closing either of the campuses, what are we trying to accomplish with the cost analysis? Shouldn’t we then be going program by program within academics and administrative areas to assess the costs for each of these - looking for excessive expenses, low SCH/enrollment, etc. - rather than trying to pin down a specific value for the QC campus as a whole?

2) **Publicity surrounding the ExCo report and Senate conversations.** KZ expressed concerns that Christopher Pynes had “gone public” with this conversation, and had an interview with channel 8, which KZ felt would lead to negative publicity. He again stressed that many QC faculty are feeling that the Senate leadership is advocating separating the QC campus from Macomb, and forcing the QC to defend itself, noting that he had been pulled out from an important meeting to respond to the publicity. They are hearing concerns from QC students about whether the QC will remain open.

 He suggested that our goal should be to redo the ExCo report in a more professional way with the help of the administration. Whereas he sees some of the Senate wanting to separate QC campus from Macomb, he thinks this is not a good idea, but rather wants to focus on where we can be more economical, or where the problems are, and rectify this in both campuses. Statements about how the QC campus has not lived up to its promises and is 12X more expensive to operate are incorrect. Going public like this creates an “us against them” scenario.

 AB noted that the conclusions were Christopher’s and not the administration’s.

3) **Balance sheets vs. expense report:** KZ, noting that he had spoken to an accounting professor, expressed concern that ExCo had relied on an income/expense report rather than a balance sheet. A balance sheet would reflect assets and liabilities for each campus and would show the “real financial status” for each; he’d like to see this. We can’t say that the QC campus is not living up to its promise without this kind of analysis.

 LT said the income/expense statement is what the BOT had requested, and AB said in addition that this was a draft, not the final form.

 Is it possible for the administration to do a balance sheet for each campus?

LT: this would be something done by the Business Service - they do audited financial statements; this would likely take a couple of years.

 Returning again to the question of the purpose of the report, LT said that she would agree if were seriously considering whether to shut down the QC campus, but have to be practical on how much time/effort we should spent on something like this. KZ said he believes some Senators do want to look at shutting down the QC, and is concerned that if we do not do this, the Senate will rely on the income/expense statement which is insufficient.

4) **Problems/inaccuracies with the ExCo Report:**  BP asked that LT go through the report point by point and identify any inaccuracies or concerns on the part of the administrators; LT said that she wouldn’t necessarily say that conclusions are all inaccurate, but rather that the report is somewhat theoretical. Given that WIU is one university with two campuses, our expenditures and revenues are very hard to split out. There are limitations, and different things you might question, such as:

1) how to prorate certain items

2) how to calculate student credit hour production. (AB argued that LT is most qualified person on our campus to make an assessment of how to calculate SCH, and that her ratios and methodology well thought out. The two of them came up independently with similar ratios.)

AB also noted that she has nothing to criticize about the report, though there were some small issues that were corrected in followups. LT is hoping to finish up an executive summary that goes along with her draft report produced for the BOT.

 KZ argued that the QC Manufacturing Lab should not be included in QC expenses, since this has nothing to do with teaching classes; it’s a research lab supported by the state. BP stated there are similar items in Macomb (for example, the Peace Corps Fellows program); do we know if expenses like these disproportionately appear in the QC? LT questioned whether we should leave any expenses out, given that the entire university’s mission is education.

**5) QC Recruiter Layoff**: KZ raised the issue of a recruiter hired for engineering dept and paid by Moline Foundation money; this person was laid off - wouldn’t this be a misuse of funds? [Note: this issue was resolved during the 3/26 Senate meeting.]

**6) Differences between Betsy’s breakdown of QC expenses**, per FY19 budget (see attached spreadsheet; Letisha has been asked to provide her spreadsheet with these corrections).

1) **lapse spending** vs. finalized

2) LT included **Kibbe, Life Sciences, C Prep Ed Profession**als on the QC list; may want to look at these more closely

3) LT added in a **proportion of Medicare and CMS health insurance**, based on total personnel (which in this case was 9% for the QC; when possible, she used a more precise figure than the 92/8 split, and it was here)

4) **Macomb instructional travel** (at bottom of lists) - calculated which appropriate for which campus

5) **Awards, grants, matching funds provided by financial aid**, whatever app institutional aid to QC student [same deducted from M campus]

6) **Macomb instruction**: calculated, looking back at info [IR had done FY15 analysis, how much instructional cost of Macomb faculty salaries went towards instruction at the QCs] - turned out to be about 1 percent of overall ac affairs personnel budget; used actual year’s data multiplied by that year’s percentage

7) **Travel**: we collect actual data from all depts. pulled out any QC/Macomb; any time shifted from QC to Mac or vv, deducted travel because that is captured there

8) **Administrative overhea**d - did not shift any expense to the QC - one dept budget used by both campuses

9) **Big administrative depts**. Not included on QC specific: includes payroll (prorated based on employee headcount in QC), budget (used total budget as ratio); HR (total ccivil service employement); VPSS, Provost - then used 8% and 92% split

Rives: 92% to Macomb, travel admin (like all other VPs)