

EXECUTIVE COMMITTEE MINUTES

Present: Baesu, Bearnese, Billesbach, Eklund, Gay, Herstein, Kolbe, Krehbiel, Minter, Weissling, Woodman, Zuckerman

Absent: Buan

Date: Tuesday, September 28, 2021

Location: City Campus Union, Chimney Rock Room

Note: These are not verbatim minutes. They are a summary of the discussions at the Executive Committee meeting as corrected by those participating.

1.0 Call (*Kolbe*)

Kolbe called the meeting to order at 2:31 p.m.

2.0 Incentive Based Budget Model – Professor Ken Bloom, Faculty Associate to the Chancellor for Budget Model Implementation

Bloom reported that he had wanted to take a step back and think about the incentive-based budget model more generally in the context of activity-based budget models. He noted that one of his concerns about the model as constructed with the consultants from Huron was that the state appropriations funding was being distributed based on a set of metrics which does not take into consideration the value of some programs.

Bloom stated that a revised budget model has been adopted by the Chancellor that provides a transparent view of resource allocation. He noted that the studies performed so far are based on analysis of the audited financial statements from the 2020 fiscal year.

Bloom stated that the “primary units” are each of the academic units that derive their income from the activities that they do such as teaching and funded research. He noted that the nine academic units do the primary business of the university with four of the colleges receiving a large amount of funded research. Billesbach asked if the gross proceeds from grants and contracts goes to the colleges. Bloom stated that in the model F & A goes to the colleges, and Deans are responsible for managing those funds.

Bloom stated that one of the main concepts of the budget model is that the primary units receive all revenues, but then there is an overhead charge to them to cover the expenses of the support units such as the Libraries, ORED, facilities, and the Chancellor’s Office.

Bloom stated that when you add up revenues from activities and both direct and indirect expenses, you get an activity-based margin which is in the negative for every unit. This is not surprising, as the university is designed to be partially supported by the state. He pointed out that this is where the state appropriated funds come into the model, and these funds can be used to balance the budget for each of the primary units. He noted that the different primary units operate at a different percentage margin. He stated that the total

amount of state appropriated funds is \$253 million and noted that by his calculations only \$237 million of appropriated funds were needed to cover the deficits of the combined primary units.

Bloom stated that the Deans control the budget activity for their units, and they decide how to invest the funds in their college. He pointed out that if a college gets a new program that does not cost much but brings in revenue, the college should receive the revenue and be able to use the additional revenue. He noted that it is the Chancellor who decides how much each college will receive in state appropriated funds and points out that the key question is what the right amount of appropriation funds is for each college noting that metrics could be used here to determine the amount. He pointed out that with the incentive-based budget model you will be able to see the state appropriations funding for each unit.

Billesbach asked what the budget would be like for fiscal year 2022. Bloom stated that this is one of the budget model's grand challenges because no one has yet developed a prospective budget for the future. He stated that we have the metrics to estimate for the current year, but this has not been done yet. Woodman stated that someone should be able to create a scenario and Bloom agreed and stated that he has challenged Business and Finance to do this by November 1. Billesbach asked what would happen if the projections were wrong. Bloom noted that he did not include carryover funds in his spreadsheet and pointed out that cash management has not been well addressed with the model.

Bloom reported that we expect to be on the new budget model this coming July 1, but he believes there will need to be a slow rollout of it. He noted that this year is a model year for the future of the budget. He stated that primary units will be held harmless for the next year which in his opinion means that they would get the approximately the same amount of state support as they did for this fiscal year (assuming no significant budget disruptions) and any changes in allocations in future years will be gradual. He pointed out that most of the budget is tied up in salaries which means you can't have a major upheaval in a college's budget without seriously impacting the academic programs. He stated that if a college should improve its margins, it should be able to expand and grow. He stated that the model will be transparent so you can see how much state appropriation funding is going into each unit and the transparency of the budget model will open the opportunities for discussions on how the funds are used or could be used.

Billesbach asked if a college can keep its tuition revenue for future investments or is it removed from the college's budget. Bloom stated that if this were to happen it would be visible. He stated that if a primary unit's activities allow it to increase credit hours and/or conduct more funded research the college would benefit from it, which is an incentive for units to be more productive.

Woodman questioned whether the EVC/VCIANR would be able to override a decision made by the Dean if the Dean wanted to get rid of a department. Bloom pointed out that no one is trying to apply the budget model at the departments level, but you want to have

the tools to see what the activity-based margin is for a department so you can help stimulate the department to increase its revenue building activities. Zuckerman noted that her department is capped at the number of graduate students they can have which stymies the department's growth. She asked how the budget model can help address this problem. Bloom stated that the transparency of the budget model will allow colleges and departments to have conversations on a much more factual basis and a department could show how the impact of limiting graduate enrollment is limiting the department's ability to grow. Kolbe pointed out that the transparency of the budget model allows smaller colleges more control and they can decide to generate more credit hours through offering more online courses or different courses.

Eklund noted that in the Glenn Korff School of Music some instructors only teach one student at a time. He asked if there will be different lab fees and other fees for the different colleges and would they be allowed to charge whatever rate they felt was needed. Bloom stated that there is an existing process for how course fees are set, and the college could certainly use that as they think they need.

Herstein reported that she is concerned that the budget model will entice colleges and departments to try to generate more tuition revenue by either setting aside existing policies restricting students from taking the same course over too many times, or by departments wanting to offer courses that could conflict or be duplicative. Bloom pointed out that this is a values question and noted that we should have quality programs, and what is going to help the financial picture is if a department and college have good courses. He stated that we need to be doing what is right for the students and right for the program and it all comes back to the values and goals of a unit. He pointed out that good governance is going to be needed to control the curriculum. He stated that he does worry about the governance aspect of the budget model, and he would like to see some stronger guidelines about this. He reported that he and VC Nunez are co-chairing the Budget Model Advisory Committee and have begun discussion about the governance guidelines.

3.0 Language for Potential Repercussions for Faculty/Staff that Refuse to Follow Covid Protocol – AVC Walker and AVC Bischoff

Walker noted that while the focus so far this semester has been on the students to make sure they are complying with the university's Covid protocols, there are some faculty and staff that are not doing the testing and have not registered with the university's vaccine registry. She noted that some of these people have probably been approved to completely work remotely which is fine, but we need to insist on compliance for faculty and staff as well as the students. She reported that a draft document, Procedures for Ensuring Faculty Compliance with UNL Requirements and Expectations to Reduce Risk of Covid 2021, has been created and reviewed by the Covid Taskforce, Kolbe and Professors Hanrahan and Falci. She pointed out that there will be a separate document for the staff.

Billesbach asked how long the procedures will be in place. Walker stated that it will be in place as long as we are doing Covid testing.

Woodman noted that last year people who were permitted to work remotely if they had a medical condition could come in after work hours, but the document says that these

people will be removed from future building access and will have their N card suspended. He pointed out that there may be faculty that need to get into their labs after hours or on the weekend. Walker stated that the general sentiment is that if you need to come into campus, but you are working remotely, you still need to be tested. She pointed out that revocation of access to campus would only be enforced if someone is out of compliance with testing and she believes this number is very low.

Billesbach asked what would happen if an instructor who is not in compliance is teaching a class that no one else in the department can teach or the instructor needs to meet with graduate students. Walker stated that no contingencies will be given and if the instructor doesn't want to comply, they will need to teach remotely and meet with their graduate students in a Zoom meeting.

Kreihbel stated that the document is not clear about Extension faculty. She noted that currently Extension personnel need to comply with the Covid regulations in the county where they work, but Extension faculty are sometimes required to come to campus for statewide training. Bearnese pointed out that there are only two testing sites in the northeast corner of the state, and it is available Monday and Tuesday mornings for 1 ½ hours and results are not back until Wednesday. Weissling asked if there could be a Zoom option for the statewide training. Walker suggested that language be included in the document that states that Extension personnel assigned to work outside Lancaster County should be considered to work remotely. Kolbe suggested that there be a separate appendix in the document for Extension personnel. Bischoff stated that he would draft the appendix.

Billesbach asked about employees who work at Mead, and Woodman asked about faculty who work at UNO but come to the UNL campus. Walker stated that if they are employees of the University, they need to comply with the UNL protocols. Weissling noted that people can still get into some buildings without using their N card. Walker stated that removing the N card access is not a disciplinary measure but a means to get people to comply with the protocols to keep everyone safe. Weissling suggested another requirement would be for office or lab keys to be returned.

Weissling pointed out that the procedures put a significant amount of additional work on the supervisors. Walker noted that the list of those employees out of compliance is expected to be very short. She stated that the procedures allow time for employees to become compliant with the protocols before they would be placed on administrative leave and be charged with professional misconduct. Baesu asked if the supervisors would be put into danger by these procedures. Walker stated that the meetings with the employee could be done remotely. She noted that she hopes that we never have to get to the point where step five of the process would need to be invoked, but we are in a public health situation, and we need people to adhere on the side of caution.

Billesbach asked what the date is that the procedures are expected to go into effect. Walker stated that she will make the changes suggested by the Executive Committee and the appendix on Extension personnel would need to be included before the procedures

could be put into place, but once the changes are made the procedures could be in effect as soon as possible.

Gay moved that the Executive Committee endorse the procedures until testing for Covid is no longer required. Billesbach seconded the motion provided there are no further substantial changes to the document. The Executive Committee approved the procedures, and there was one opposed vote.

4.0 Announcements

4.1 Flu Vaccine Availability

Kolbe reported that the University Health Center will now be offering the flu vaccine to faculty and staff as well as students, however faculty and staff must make an appointment to receive the vaccine.

4.2 Faculty Needed to Review the Effectiveness of Learning Communities

Kolbe stated that the Senate is being asked to provide the names of faculty members to look at the effectiveness of the learning communities. He noted that there has been some decline in the number of students participating in the communities, but there appears to be an increase if the communities are focused on identity rather than discipline interest. He stated that faculty members from each college are needed, and anyone interested should contact him.

4.3 Staff Senate Status

Kolbe reported that efforts are still being made to develop a Staff Senate at the university and he, along with ASUN President Ibrahim, will be meeting with organizers next week.

5.0 Approval of September 21, 2021 Minutes

Billesbach moved for approval of the minutes. Motion seconded by Gay and approved by the Executive Committee.

6.0 Unfinished Business

6.1 Incentives for Faculty Service (Gay)

Agenda item postponed until next week.

7.0 New Business

7.1 Faculty Needed for the Search Committee for the Dean of the Hixson-Lied College of Performing Arts

Kolbe noted that the Executive Committee has been asked by EVC Spiller to provide a list of faculty members to potentially serve on the search committee. The Committee then suggested names.

The meeting was adjourned at 4:53 p.m. The next meeting of the Executive Committee will be on Tuesday, October 5, 2021, immediately following the Faculty Senate meeting. The minutes are respectfully submitted by Karen Griffin, Coordinator and Kelli Herstein, Secretary.