



***BUDGETING AND PLANNING COMMITTEE
THE CHARGE FOR ACADEMIC YEAR 2013-14***

Thank you for allowing me to provide some of my thoughts on the most effective way to utilize the skills, talents, energy and time of the members of this important committee.

Overall Perspective of the Role of Budget and Planning:

To form a foundation for this discussion, let me highlight three documents.

To provide a very broad viewpoint, let me first point to the foundational document in regards to shared governance for universities and colleges. This pertinent document is the “Joint Statement on Government of Colleges and Universities” which was jointly written by by the American Association of University Professors, the American Council on Education and the Association of Governing Boards of Universities and Colleges in 1966. While it is a 47 year old document, it remains as a foundational work that guides shared governance today, and in many respects, has influenced our own university constitution.

From this document, in specifically relating to the Budget and Planning Committee, it states:

The allocation of resources among competing demands is central in the formal responsibility of the governing board, in the administrative authority of the president, and in the educational function of the faculty. Each component should therefore have a voice in the determination of short- and long-range priorities, and each should receive appropriate analyses of past budgetary experience, reports on current budgets and expenditures, and short- and long-range budgetary projections. The function of each component in budgetary matters should be understood by all; the allocation of authority will determine the flow of information and the scope of participation in decisions.

This paragraph outlines the necessity for communication, collaboration and a joint understanding of the budgetary and resource allocation process. And this is reflected in our own constitution in outlining the advisory and communication duties of the Budget & Planning Committee as it states:

1. To advise the University President on matters related to the budget and long-range planning of the University.
2. To consider budget principles and policy matters which relate to the mission of Eastern Oregon University and are reflected in the budget and the long-range implications of the physical facilities
3. To develop its own procedures for budget review and planning.
4. To report to the University Council on the overall priorities for allocation of institutional resources and to recommend policies regarding long-range planning.
5. To advise on matters related to capital construction requests for legislative consideration.

Also, from the AAUP Joint Statement, the authority and responsibility of the overall budget, and financial health of the university, lies in the Office of the President. This is reinforced in the EOU constitution as well as in the Policies and Procedures of the Oregon University System and they both state that the President of the university has the authority and responsibility of the fiscal health of the university and that he (or she) will be held accountable for this by the Chancellor and the State Board of Higher Education. And, in preparing and implementing the budget to achieve stable financial health, "The institution President will develop and implement, in consultation with the appropriate institution committees, groups, and employees, the policies, plans, proposals, budgets, and guidelines affecting the institution as deemed necessary and/or advisable, as consistent with Board rule, policy, IMD, or direction from the Chancellor."

The combination of these three documents provide for, in my mind, a robust role of the Budget & Planning Committee in providing advice and wisdom not only for periodic budget reductions, but more importantly, for on-going budgetary matters and concerns. I also want to highlight that I very much value the role of shared governance and the critical role B&P plays in this. This is evidenced, for example, by the inclusion of the Chairperson of B&P on the Position Review Committee and the President's Cabinet. Both of these bodies provide me valuable insights and recommendations, and it was my initiative in the interests of transparency and communication to include the B&P Chairperson as a member of both groups.

While this presents a summary view of the foundational principles, it does point out the important and critical role of B&P in this process—one of advice and one of communication and constant feedback. As we move forward, it is essential that we continue to tie mission, core themes and goals to our expenditures and budgetary process. We need to invest in areas that provide a return—in terms of students, graduates, regional service, financial, mission support, etc. to ensure that we are fulfilling our mission. And, at the same time, we need to continue to monitor those programs that are important to have but need to improve in key measures and areas. The Provost and his team are essential to this effort.

As we move forward in the developing a recommendation on a new governance model, accreditation process, it is essential that we are able to show how this works and is utilized in practice.

The role of B&P, based on our past efforts and the various governing documents, is a very important part of my work as president and leading our university. Your advice and wisdom is essential. Your input helps me, and others within the university, make better decisions. As we have discussed on multiple occasions, I do not believe that the members on this committee want to be the ones to recommend the elimination of positions, or programs, or to significantly reduce funding for areas. I do believe, however, that the members of this committee do want to be in a position to react to proposals and ideas—to provide advice and wisdom and to discuss critical issues relating to the financing of our enterprise and the long-range planning and strategic direction of the university. This is a very important role, and one that is spelled out in the EOU Constitution, the Joint Statement on Shared Governance, and in the OUS Policies as it relates to the role of the President of the university.

A key component of your work, which was completed for the first time last last year, is the collaborative budgeting process and I believe it is important for the committee to continue in these efforts and fine tune this process by having the division and units present their goals and objectives in how they relate to the mission and core themes. And to have B&P weigh in on discussions and provide advice about funding levels and to have a robust discussion of future investments is critical.

I want to thank you for your time and attention to these matters. I very much value your feedback, input and advice. These are not easy issues and there are no easy answers.