Budget Hearing Meeting Minutes April 16, 2009

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Present: IC Green, VCs Nowak, Sehr, Tharp, and Sarratore, AAO Stroman

CIO Elizabeth Van Gordon

Faculty Budgetary Affairs Committee: John Ross, Marilyn Kintzele, Scott Jones, Kirsten Leonard, Masato Ogawa

Absent: Lynda Narwold, Earl Wysong

Interim Chancellor Green started the meeting by announcing the Budget Hearing meeting minutes will be posted to the RSS feed. He recognizes the budget will be very lean and emphasized we would begin the budget process by looking at what is critical for the future of the campus and to prioritize these future oriented objectives even if it can't be executed immediately. He said the American Recovery and Reinvestment Act of 2009 calls for items to be ready for investment. Our highest priority right now is the capital appropriations for our Health and Wellness facility and asked that Faculty Budgetary Affairs Committee identify their budget goals.

Vice Chancellor for Administration CFO Tim Sehr
VC Sehr began his presentation with an over view of the major units that report to him directly, including Human Resources, Physical Plant, Bursar, Purchasing, Accounts Payable, Security, Parking, and Food Services. His presentation focused on the general fund accounts that fall under the VC for Administration. He pointed out that the budget for Human Resources is not adequate if one includes all expected expenses that will be charged to this account annually. The account has no budget to pay for the gifts awarded for years of service or the additional pay that accompanies years of service. In the past these costs have been covered using salary savings each year, but they represent an expense that can be reasonably estimated and should be budgeted.

Along the same lines, the campus would be wise to budget something in each of the recruitment accounts (staff and faculty) rather than depending on salary savings to cover all of the costs. As of July 1st the HR department will be charged for background checks.

He noted that IU Kokomo police operation is a new one. This year has been the first full year that we have budgeted for this operation, and we are still determining what total costs will be to provide the level of safety and security desired by the campus. This account will need additional funding for hourly wages if we are to provide the desired hours of police presence.

Physical Plant is the largest unit reporting to the VC for Administration. This department has lost some personnel over the last five years and is currently under staffed. This department has responsibility for Special Facilities, the Auditorium, mail service, campus vehicles, and the duplicating room. Special Facilities is part of the general operating budget of the Physical Plant unit while the other units listed above have separate accounts. The position of Director of Special Facilities will be eliminated in the 2009-10 budget. The director's duties will be absorbed by Tara Halbrook and Jeff Gegner assisted by the implementation of an on-line room scheduling process. Over the summer, the campus will roll out a system that will permit employees to schedule conference rooms on-line and specify additional arrangements such as room set-up and food orders. The funds previously budgeted by the director's position will be dedicated for the second year of the Degrees of Excellence initiative.

Approximately 82% of the non-personnel budget in the primary Physical Plant account is allocated for service contracts ($70,000) and repairs and maintenance ($90,000). The service contracts ensure that systems or equipment that fails can be repaired and brought back into service quickly. The budget for repairs provides funding for fixing a wide range of things that can (and often do) break down on the campus over the course of a year. Generally, the funds needed for making repairs exceeds the budget. As campus facilities age, we can anticipate that repair costs will continue to increase. (Note KO main is forty-four years old; KO East is twenty-nine years old.)

A reduction in travel and cleaning supplies will help cover the 5% reduction and it is always possible to ask employees to empty their trash and some areas may not be cleaned as often as we prefer. This is happening at other IU campuses.

The Auditorium does generate rental income of about $15,000 to just under $18,000 in recent years. Jeff Gegner is being fully integrated into Physical Plant operations and has assumed some responsibilities for scheduling and billing for conference and meeting rooms (Special Facilities).

The copy center has had a decline in use. One option would be to raise the fee per page which would help pay for the copier lease. Other alternatives are being considered.

Marilyn Kintzele asked about the fee percentage of the credit cards. She also asked about how much we supplement the AVI? Tim said it was less this year than in past years and the money saved was used to upgrade rooms in the Kelley Center with technology. The tables and chairs in the student commons are almost 20 years old as well as some flooring and will need to be replaced soon.

Just over half of the non-personnel budget in the account ($5,000) is budgeted for repairs and maintenance. Havens is also an aging facility that has not had major investments in about a decade. Recently it was inspected by the fire marshal and issues were found regarding safety and these have been corrected.

Vice Chancellor for External Relations Paul Nowak

VC Nowak over sees four operational units including Alumni Affairs, the Office of Communication and Marketing, Donor Relations and External Relations. His budget presentation included a request for a new position to be created in External Affairs (Development). The fund raising operation requires a full-time, experienced development officer who will focus on increasing the number of identify, solicit new donors and be a liaison to IUF for the development of gift agreements and other required actions. This new position would not be responsible for scholarships accounts. Approximately 4-6 major gift proposals, $50,000 or above, should be generated each year by this position. Our current donor base is around 1,400 donors. To achieve the funding and to properly staff the development operation, the current staffing structure will be revised with the Director of Donor Relations position re-written into a Director (Assistant Director) of Development. A salary increase is expected.

He also would like to hire an Electronic Communications Manager/ Web Editor who will be responsible for content, design and information management of the new web site, as well as interactive media projects. He points out that to keep the new website up to date

that this position is needed. This position would also serve as the primary campus contact to facilitate updates of the Web site and is responsible for the enforcement of online visual design standards and Web writing style guideline. John Ross asked what our current web master duties are in regards to our campus website. CIO Van Gordon explained that the new position that Paul is requesting and the current web manager position have different skill sets. Roles and responsibilities are different. A technology service maintains the infrastructure and technology and marketing maintains the design and visual-content aspects of the website.

Alumni Affairs and Public Affairs have their own accounts and he does not anticipate any changes in these budgets.

Interim Vice Chancellor for Academic Affairs Steve Sarratore

VC Sarratore said the he is in the process of re-arranging budgets. Units have looked at non-salary items and reduced various budget lines by 5%. He and Gerry are also in the process of creating an Advising Center budget and reassigning current advisors that were reporting to Deans. There has been significant cost savings by eliminating the MIS position and reduction in Business and Library Dean Salaries. Searches were stopped for two lectures. IC Green asked if based on salary saving in AA would those savings be used to fund the two positions. VC Sehr said the two positions were not budgeted in 2009-2010. He sees possible major issues and problems in the nursing area but we will soon have a nursing fee which should generate about $350,000 which can be used for faculty salaries. (Note this fee has yet to be approved by the BOT). John Ross asked if we could split the fees as in the past. IC Green said that beginning the fall of 2010 the Instructional fees rates per credit hour will be the same for everyone. VC Sarratore said the amount that is budgeted for adjunct salaries was under spent but pointed out some units over spent and he sees no savings in this area

Vice Chancellor for Student Services Jack Tharp

VC Tharp pointed out there hasn't been any increases in travel budgets for over ten years. An out-of-state travel budget in the VC office has a $5,000 budget line to cover 16 professionals for annual conference travel. A typical major conference costs approximately $1,200. It is essential that we provide training and professional development for staff to benefit the campus.   He is proposing a $5000 increase in out-of-state departmental travel. The 2007 report from the AACRAO consultant recommended additional positions in both the Admissions Office and Scholarships and Financial Aid Office. Increased staffing for these offices was requested two years ago in the 2006-07 budgets. (Note these positions have been approved and filled in a recent student services restructure.) University data shows that our volume of applicants for admissions is about 53-57% of the volume at IUN and IUS respectively. Applying these ratios to the respective Admissions staff at IUN [8] and IUS [12] yields an extrapolated Kokomo Admissions staff of 4-6 [current staff = 4.5]. The Kokomo Admissions Office is

the most productive of the 5 regional's when measuring fall new matric credit hours as a percent of total fall undergraduate credit hours. To do more will require greater specialization in each office. In Financial Aid the specialization will be scholarships; in Admissions the specialization will be transfer students. Two new staff are requested for the near future. Admissions: Admissions Counselor [professional] and Financial Aid: Processing Specialist [support].

Chief Information Officer Elizabeth Van Gordon

CIO Van Gordon gave an overview of the IT accounts:

- Computer Services general expense will be reduced by 5% from $87,220 to $82, 859.

- Computer Network Charge – 05-630-71. This account is fixed to cover expenses that are set external to the campus. This budget cannot be reduced by 5%.

- Technology Fee - 05-630-72. The student technology account is self-balancing and therefore will not be reduced by 5%. Line by line expenses are reflected in the attached spreadsheet, Technology Fee.

- Instructional Technology – 05-630-73. General expense will be reduced by 5% from $14,931 to $14,184.

- Copy Machines – 66-633-00. Rates for copy and print services cover the expenses associated with providing the services and will remain as they are during FY2009/2010.

- Telephone Service – 66-634-00Rates for telephone services have remained constant for 10 years and do not fully cover the costs of providing the service.

During FY2009/10, as the campus prepares for Voice Over IP (VOIP), the rate structure and fiscal model will be reviewed and redesigned.

- IUK Desktop Replacement – 92-630-70. This account maintains the life-cycle replacement of faculty and staff desktop computers and is funded by the campus ($48,856) and UITS ($13,985). This will remain constant for FY 2009/10. The Empowering People, IT Strategic Plan 2, calls for continuation of an expanded lifecycle replacement model as described in Actions 1 and 2 of the campus Strategic Plan.

- Fiber Optic/Equipment Replacement – 92-630-72. This account is funded by the campus network charge and will remain constant during FY2009/10. This account will be revisited as the telecommunication fiscal model is being reviewed and redesigned during FY2009/10.

- Classroom Technology – 92-630-73. This account maintains the life-cycle replacement of classroom technology and is funded annually by UITS ($52,400). This will remain constant for FY 2009/10. In addition to IU Kokomo Strategic Priority III, Goal 3.3.

Storage network

In light of university policy requiring that sensitive data be stored on a secure server, we must upgrade the amount of server storage that is available to faculty and staff (perhaps students as well). Purchasing has received three bids; however, this can be done less expensively and more effectively by making use of the intelligent infrastructure services offered by UITS.

Telephone switch replacement

The software version on the telephone switch is old and no longer supported. Additionally the current switch does not support IP phones and Office Communicator System (OCS). Around the first of the year an RFP was released and the bids are in for

this project. The costs are much higher than expected. As an alternative, we have an opportunity to participate a Voice Over IP (VOIP) project with UITS and Nortel.

Virtual application hosting and file serving services

IT Services is running a service similar to that provided by the UITS Intelligent Infrastructure group. An initial investment was made in this system in January 2007 and all equipment went online in May 2007. In order to move forward with a less costly, more effective approach IU Kokomo should migrate to the UITS Intelligent Infrastructure. This cultivates the next iteration of IU Kokomo's virtual infrastructure and leverages IU Kokomo's participation in the university's Intelligent Infrastructure, cloud computing environment.

Virtualized desktops

The lifecycle fund (92-630-70) is underfunded. To address this issue as well as to contain support costs and address sustainability issues, an opportunity exists to participate with UITS in the proof of concept and deployment of virtualized desktops.

Wireless upgrade

IU Kokomo joined IUB and IUPUI in a project to implement a new wireless network. In the summer of 2008 all new wireless access points were deployed which greatly improved coverage and signal strength. As part of this project, HP agreed to upgrade the access points to the 802.11n standard when equipment employing that standard became available. The upgrade to the 802.11n standard is planned for the summer of 2009.

ILight diverse, redundant connectivity

Currently IU Kokomo has a single connection to the ILight network with a T1 line for backup. The T1 line provides only a fraction of the capacity that ILight provides and would be unable to sustain campus operations; especially as we move toward more centralized hardware in the university's Intelligent Infrastructure. In the event ILight service is lost, network usage would need to be restricted to only essential services and it's doubtful, especially depending on the time of year, that the T1 could sustain essential service usage.

CIO Van Gordon reviewed with Cabinet and the Committee systems that need to be replaced or upgraded and new installations such as backup power supplies, network storage, telephone switch, gas fire retardant system for the server room a finding that was cited in the recent internal audit, wireless upgrade and high-speed network (Internet/Global connectivity via ILight). She pointed out that some of these systems could be supported centrally buy UITS Enterprise hardware. IC Green asked if some of these upgrades could be done this year.

Kirsten Leonard expressed a concern about having our web server supported centrally by UITS. This was done in the past and was not very successful on our end. CIO Van Gordon assured her that the campus would no longer have this problem with UITS.

Meeting adjourned at 1:30 p.m.