Faculty Senate Budget and Resources Annual Report
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The committee met throughout the year. We have focused primarily on issues pertaining in the University's new budget model and selected cost matters of concern. We were well supported by Sr. VP Davis and her office throughout the year. VP Harber and HRIS Director Coray were also supportive and accommodating in our requests for salary data.

Faculty Compensation

An annual task for our committee is the collection of faculty salaries to enable informed discussion of equity in compensation across the University. This year we asked for additional fields of data for faculty in order to aid in understanding compensation decisions. In particular we included in our data request a tenure-stream / not-tenure-stream field, as well as a field that differentiates Rank and Title (this is most relevant for Administrative Faculty. Also included in our request was the calculation and delineation of any unbenefitted stipends – previous years' data only included those stipends for which benefits were paid. This inclusion reduces year-to-year comparability, but comes closer to the true compensation of many faculty on the list.

In addition to our annual salary request, we directly inquired about the compensation of adjuncts. This request was difficult for HR, as the temporary contracting structure combined with the dated IT system means that it takes some creative querying and processing to align contracts and compensation for individuals that teach more than one semester in a year. Similarly, we requested demographic information on tenure-of-service for adjuncts to be able to inform discussions on diversity and inclusion, but the data is not available with current systems in place.

During 2016, Mason paid just over 1900 individuals through the adjunct hiring process. This process also includes a number of Mason faculty and staff that are being paid for off-load instruction, whether this is the summer or extra coursework during a semester. This off-load instruction was not considered for the annual salary disclosure, and their inclusion merits deliberation for the next cycle. Off-load instruction and compensation offer opportunities for discussion on both their equity of opportunity and impact on educational outcomes. Adjuncts fulfill a number of benefits for the institution (specialized skills for occasional topics courses, low-cost labor for introductory courses, and on-demand labor when demand is uneven) that are often lumped together into a single pool of individuals without consideration for the differing needs of support for each.

Only 23% of them made over the $10,000 line needed for FOIA document request. As HR and the Registrar are not aligned, we cannot cross-query compensation with the courses, or even units, they teach (many adjuncts apparently move between units or teach for multiple units at the same time). At this point in time we are forced to acknowledge that adjunct faculty compensation remains unexamined systematically across the institution. We urge future committees to focus on credit-cost differentiations across units and course levels, particularly in light of the published pay rate matrix put out by the Provost's Office.

Finally, we raised a number of issues regarding the contracting behavior across the institution of Term and Adjunct faculty. These issues were one of the instigating factors of Term Faculty Task Force, and we look forward to the Task Force's report.

New Budget Model

Throughout the year we sought information, context, and detail on the University's ongoing efforts to implement a new budget model. The new budget model has two main components for each school within the university: income and expenses. Revenue can be generated from several sources, but tuition revenue will be the primary source of revenue for most schools. The schools will earn 80% of tuition revenue generated. The other 20% will go to all non-college units and organizations. The primary rationale for this change appears to be that Deans did not have strong incentives to control expenses or generate new revenue under the old model. A second rationale is that colleges and schools will have to become self-sufficient over time.

A number of key challenges have been encountered in the attempts to launch the new model. On the revenue side, the most important challenge appears to be defining which College / School earns what portion of revenue for classes offered by one College / School and delivered by another College / School (or done in cooperation). Each college and school has been given data and is currently working with their model. It appears that some Deans have shared the data in the model with program directors and faculty members, while others have not.

The Senate Budget Committee has not seen the budget data for any school. We have recommended that a simulation model be developed so faculty could see how the model actually works. The subsidies central administration provides for the various schools and colleges have not been disclosed—and may never be disclosed to the Senate. We remain concerned about the reduced incentives for cooperation in the delivery of courses. In addition, we see that the new model provides strong incentives to add student fees on top of tuition costs. This second point in particular leads to outcomes where students will have to pay more for classes, with the heaviest burden potentially falling on those who can least afford to pay. Such a fee system will give advantages to schools with a strong tuition base and further disadvantage schools (or programs) with modest enrollments. Our work on the budget model is ongoing, and we anticipate Unit numbers during Summer 2017.

Research Indirects

The committee generated a number of concerns related to research funding and support. These concerns range from transparency in the use of indirect dollars, requirements for Academic Year salary being required for grants asking for summer salary, and expectations for course buyouts. This list was forwarded to the newly formed University Research Advisory Committee (URAC); URAC further developed and discussed the list with VP Crawford and the committee is now prioritizing items. Tangney is on URAC and was appointed to the Provost's Research Indirect Costs Allocation Steering Committee.

Athletics

We received several requests to look into the expenditures of the Athletic Department. The Athletics budget of approximately $20 million, two thirds of which comes from the rest of the institution, is a continuous source of unease for some members of the faculty. Several considerations should ease this concern:

1) The current administration and athletics department are empathic that they have no interest in developing a football program. This disinterest was not the case under previous regimes, and the change in course should be publicly stated. Being the largest public school in the country without a football team seems to lead to a continuous set of questions and rumors on the topic.

2) Athletic Director Edwards has targeted Self-Generated Revenue since his arrival two years ago. Notable examples are the recent naming rights agreement of Eagle Bank, a medical billing agreement (Vivature), a digital provider agreement (Mobility) and an apparel rights deal (Adidas). A number of additional marketing and sponsorship negotiations are apparently in the pipeline. This increase in self-generated revenue should continue to reduce the use of State's funding by the Athletics department.

3) Athletic Director Edwards and Men's Basketball coach Paulsen have targeted community outreach both as an end to itself and as a means to fundraise. We believe this outreach is crucial for the long-term success of Athletics at George Mason University. We applaud the bridge program started by the Coach Paulsen last year with the faculty and staff (noting the 180 faculty/staff that expressed interest), and look forward to its

expansion. A number of other efforts, including the hiring of Daryl Green, appear to fall under the umbrella of outreach. We seek a greater understanding of these endeavors.

As the Budget and Resources Committee, we do not see a substantive role for us in this discussion moving forward. There does not appear to be a lot of 'fat' to cut with regards to financial expenditures - any cuts would all be sizable in scope, and likely would not have the desire magnitude of effect in terms of finances. Current oversight appears sufficient through channels such as the Athletic Council. However, there does appear more engagement and integration that could be done with Athletics and The Mason Community. We have invited Director Edwards to speak to the Faculty Senate about the University's plans for using Athletics as a way to enhance and extend the Mason community (particularly for non–athlete students, faculty/staff, and the local community). As Director Edwards has been here two years, we ask that he be very specific in both what he intends to do as Athletic Director, the challenges he expect to face along the way, and how he intends to overcome them.

Administrative Cost Structures

Administrative costs have been a continuous source of concern at GMU. The committee chose to focus on administrative faculty at the College/School level, as those positions are created from the same budget pools that fund teaching faculty lines. Data were collected from the Deans through face-to-face and/or email interviews. The data revealed that Deans apply the same decision rules to the hiring of administrative faculty as they do to the hiring of teaching faculty: a rationale must be presented in writing, the Dean weighs the need versus the cost, and a decision is made. As the pool of monies from which the administrative faculty are hired is the same pool of monies that are used to hire tenure-line faculty members, Deans have been hesitant to dip into this pool of money except when performing a replacement hire (and even then some Deans allow an administrative position to remain fallow). We have no evidence to substantiate claims of a proliferation of administrative faculty at the College/School level, as Deans have not actively pursued adding individuals to their staff using these faculty lines. When there have been hires, Deans have chosen to hire staff members to cover the tasks needed.

At a meeting of the Executive Committee in November, President Cabrera stated that there had been a reduction in the number of employees in the central administration and a consequent cost savings. The committee requested a comparison of the administrative structure as was then (Nov. 2016) with what it had been a couple of years ago before the streamlining, and use an organizational chart for the comparison. The President has asked that we work with Sr. VP Davis on this issue.