The AS&E Budget and University Priorities Committee (BUPC) met eight times during the Fall 2011 semester and seven times during the Spring 2012 semester. These meetings were devoted to understanding the budget process, becoming familiar with the current state of the budget, identifying budget items that present the greatest challenges, revising the committee bylaw and considering how to improve the committee’s participation in budget policy discussions. The committee held meetings with Engineering Dean Linda Abriola, A&S Dean Joanne Berger-Sweeney, Interim Provost Peggy Newell, and Executive Vice-President Patricia Campbell, Dean of Undergraduate Admissions Lee Coffin, Director of Financial Aid Patricia Reilly and Vice President for Operations Dick Reynolds. Executive Administrative Dean Leah Rosovsky (A&S) and Executive Associate Dean Scott Sahagian (Engineering) were active members of the committee and one or both attended every meeting. The co-chairs also met separately with several of the deans and with President Anthony Monaco. The administrators who participated in these meetings were generous with their time and the committee wishes to thank each of them for supporting its work.

In recent years, BUPC tended to focus in-depth on a few large expenditures and to make specific recommendations on those expenditures. In 2011 – 2012, the committee focused on the budget process, the overall budget and ways in which the committee can have more influence on budget policy.

The AS&E budget process is complex and it is difficult for a committee with rotating, part-time membership to keep abreast of the major issues and find appropriate input points on those issues. Decisions on such major items as the salary pool, tuition rates, maintenance spending and construction projects are made at the university level with significant input from the school deans. Decisions on items such as departmental budgets are made at the school level. Decisions on items shared across A&S and Engineering are jointly decided by the deans of the two schools. Budget policy decisions are made though multiple rounds of consultation and collaboration that take place year-round. This work and the ongoing budget monitoring are supported by a full-time professional staff of budget officers.

Every administrator addressing BUPC mentioned how “lean” our budgets are and how little “wiggle room” there is in our year-to-year budgets. Over two-thirds of AS&E revenue comes from student charges and the high national ranking of our tuition level constrains us from increasing tuition or other student charges more rapidly than our peers. Revenues from sponsored research, fund raising and endowment earnings continue to be under the stress produced by the financial crisis and recession. Compensation and financial aid make up over half of AS&E expenses, and any significant expense reduction would require cuts in staff, financial aid or programs. Given the continuing increases in the demand for financial aid, health care costs, information technology costs, and scientific research costs, the higher education financial model of the last twenty years is no longer sustainable. There is no consensus on the financial model that we will need to follow for the next twenty years, but it is inevitable that it will involve continuing to seek new sources of revenue and more attention to controlling costs.
The specific budget challenges that received the greatest attention from BUPC were undergraduate financial aid, laboratory space for the sciences and engineering and deferred maintenance.

Financial aid is one of the two largest expenditures in the AS&E budget and has been one of the most rapidly increasing expenditures. In spite of these increases, we are not able to fund a system of need-blind undergraduate admissions with sufficient financial aid to meet the calculated need for admitted students. Our current system of need-aware undergraduate admissions with need-only financial aid makes it difficult to enroll undergraduate classes with the student variety and academic ability that we desire. BUPC supports the maintenance of financial aid as one of our highest expenditure and fundraising priorities, but recognizes that becoming need-blind is not feasible in the near future.

Prior to the financial crisis, the building of an integrated laboratory facility was a top priority for AS&E. It was felt that our lack of suitable laboratory space and facilities was hurting our research output and our ability to attract and retain talented faculty. Leased space at 200 Boston Ave. is being used to meet some pressing needs but BUPC members have been concerned that this may not be the most effective way of meeting core needs in the future. The committee was pleased to learn of the new planning initiative that is studying laboratory space needs by soliciting input from key faculty members and looking at both renovation and new construction possibilities.

The scope of Tufts deferred maintenance needs were made clear by the study commissioned by Vice President Reynolds and BUPC appreciates his forthright presentation of the scope of the problem and the annual funding needed to begin addressing the backlog. Committee members had raised the possibility of using debt finance at historically low interest rates for construction projects and support Tufts’ decision to issue $250 million in “Century Bonds” for maintenance and new construction needs.

During the spring semester, the committee spent much time drafting new bylaw language that streamlines its charge while reaffirming its roles of providing oversight of the overall AS&E budget and feedback on changes in AS&E spending priorities. As part of this discussion, a new operational timeline was developed for the committee and this timeline will be tested and refined in 2012 – 2013. We hope the new timeline will help the committee work with administrators to receive information on a more regular schedule and provide timely feedback.

For the Committee,

David Garman and Fulton Gonzalez
Co-Chairs for 2011 - 2012

3 see http://ase.tufts.edu/faculty/pdfs/bylawsASE.pdf for the new text.