

**Andrews University**  
**Faculty Senate Budget Principles**

<b>Guiding Principles</b>	<b>Clarifications and Potential Action Items</b>
1. Make budgeting decisions based on how activities support the University mission and strategic plan.	<ul style="list-style-type: none"> <li>● Shift budget thinking away from business unit constructs and towards valuable activities (activity-based costing)</li> </ul>
2. Treat finances as a support function in service to the university mission	<ul style="list-style-type: none"> <li>● Organizational structures and practices should reflect the assumption that finances do not <i>drive</i> the institutional decision-making but rather support the mission (i.e. the VP Finance should report <b>to</b> the Provost and should <b>not</b> be parallel to the Provost)</li> </ul>
3. Improve budgeting transparency to support informed decision-making	<ul style="list-style-type: none"> <li>● Transparency defined both in terms of allocation and performance measurements</li> <li>● Need honesty/trust—Vice President/deans and deans/chairs</li> <li>● Need to understand the whole budget picture</li> <li>● Explore additional ways to save money: i.e. power usage and green practices</li> </ul>
4. Make budgeting decisions based on fiscal responsibility	<ul style="list-style-type: none"> <li>● Make budgeting decisions the result of a <b>dialogue</b> between decision-makers and decision-implementers</li> <li>● Set contingencies in the Working Policy that encourage fiscal</li> </ul>

	<p>responsibility in budgeting (i.e., faculty load, advising load, work year beginning/end)</p> <ul style="list-style-type: none"> <li>● Reconsider practice of counting credit hours as the prime measure of faculty productivity</li> <li>● Set transparent goals by activity</li> <li>● Change practices that encourage spending the budget down to zero at the end of the year (budget dust)</li> <li>● Set performance measures that are controllable and then reward performance (i.e. while enrollment may not be controllable, the number of contacts with prospective students is measureable and controllable)</li> </ul>
<p>5. Assess programs based on the mission and strategic plan; invest in valuable programs; and consider the future of underperforming programs</p>	<ul style="list-style-type: none"> <li>● Note that finance is not the final goal of this institution; it is simply a means to serve the world church</li> <li>● Note that by “underperforming” we do not mean exclusively financial concerns</li> <li>● Do not view programs in isolation because in some cases synergies between smaller programs result in success/value.</li> </ul>
<p>6. Reconsider the metrics by which we evaluate quality, success, departmental achievement, faculty development (“We get what we measure”)</p>	<ul style="list-style-type: none"> <li>● Identify currently unmeasured, valuable activities</li> <li>● Count everything faculty do to assess loads—e.g. currently no incentive or reporting required to improve advising which has a direct impact on enrollment</li> </ul>
<p>7. Set expectations for departmental</p>	<ul style="list-style-type: none"> <li>● Departments should create benchmarks for departmental income</li> </ul>

productivity and production of additional income	<p>generation/enrollment in a way that accounts for expenses, income, overhead, and applicable subsidies</p> <ul style="list-style-type: none"> <li>● Invest in departmental innovations in the early stages of development</li> </ul>
8. Make decisions driven by a desire for community-building	<ul style="list-style-type: none"> <li>● Note that, for example, move to increasing the number of adjuncts violates community-building (which is part of strategic plan)</li> </ul>
9. Foster cross-departmental/school efficiencies	<ul style="list-style-type: none"> <li>● Explore cross-listing courses</li> <li>● Look for synergies <ul style="list-style-type: none"> <li>○ Right size (could early retirements humanely facilitate improved efficiencies?)</li> <li>○ Admin/school struggles</li> <li>○ Do we have too many independent schools for the size of the university?</li> </ul> </li> </ul>
10. Craft faculty development to cultivate quality and well-being	<ul style="list-style-type: none"> <li>● Note that investing in the longevity and the quality of faculty is an important way to improve the reputation and marketability of the university</li> <li>● Reallocate funds to establish a Faculty Development Office to improve quality teaching and research</li> <li>● Consider the example of the proposed change in furlough policy (a violation of faith, a devaluing of our global status and mission) as a short-term budget option that harms well-being</li> </ul>