



URA-AFT budget survey 2009

Part II: Transparency in the University Budget

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Methodology

- This survey was conducted to determine ways university departments can reduce spending and to elicit staff opinions about budget decisions being made. Findings and recommendations are being compiled and will be released in five parts.
- This was an online survey conducted from March 27 through April 4, 2009.
- An e-mail invitation was sent to all 1,968 members of the administrative unit, along with one reminder e-mail. Six-hundred and seventeen (617) people responded (31%).
- The text for each question is provided in the results, along with base numbers used in the analysis.
- The survey was anonymous.

Key findings:

- Respondents generally give good ratings to their department for budgeting, but low ratings to the university. When people were asked for examples of good and bad budget decisions made by the university, bad decisions outnumbered good ones by a ratio of five to one.
- The university has made important strides in going green, especially with RIAS, energy conservation, and recycling. Respondents feel more could be done, for example, payroll and personnel forms continue to be done hard copy. It is not clear why it is taking several years to implement RIAS.
- Many cite the lack of funding of facilities maintenance as a bad decision on multiple levels: outmoded systems waste energy and money (plumbing, electrical, HVAC); crumbling buildings are not safe or secure; countless hours of staff time are spent reporting problems that do not get fixed; and facilities staff work in crisis mode dealing with emergencies.

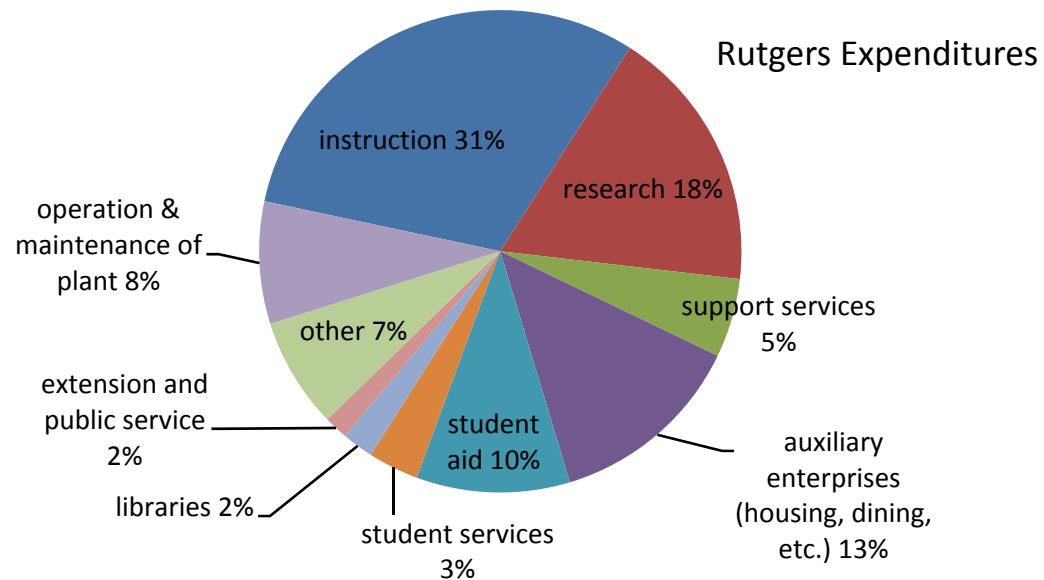
Key findings (cont'd):

- There is a sense that management has the wrong priorities. Athletics and the football program are the most-cited example of a bad budget decision made by the university. People in this survey also believe the administration is top-heavy and over-compensated, especially in the current fiscal climate. Respondents are divided over new capital projects, e.g., the greening of College Avenue and the Livingston campus re-design, with some calling them inappropriate at this time.
- Respondents cite several types of unfair treatment of staff: lay-offs, procedures around salaries and promotions is unclear, cuts are being made to staff and services, and increases in workload go unrecognized.
- Raising tuition and overcrowding classrooms are both cited as bad budget decisions. Respondents feel more should be done to ensure that faculty have an equitable and consistent teaching load to keep instructional costs down.

Recommendations:

- We recommend that President McCormick provide detailed information about the university budget. Expenditures are posted on the university website (see below), but it would be helpful to see a chart that breaks down each of the categories. It has been stated by management that the football program, for example, is a small fraction of the overall budget. Looking at the current chart, however, this is not clear. Likewise, various promotional campaigns like Rutgers Day do not appear on the chart.

More detailed information will help people know how the university budget works and where their own and other departments fall in each category of spending. This will help clarify the mission, values, and priorities of the university and how each person and program/department fits into that mission.

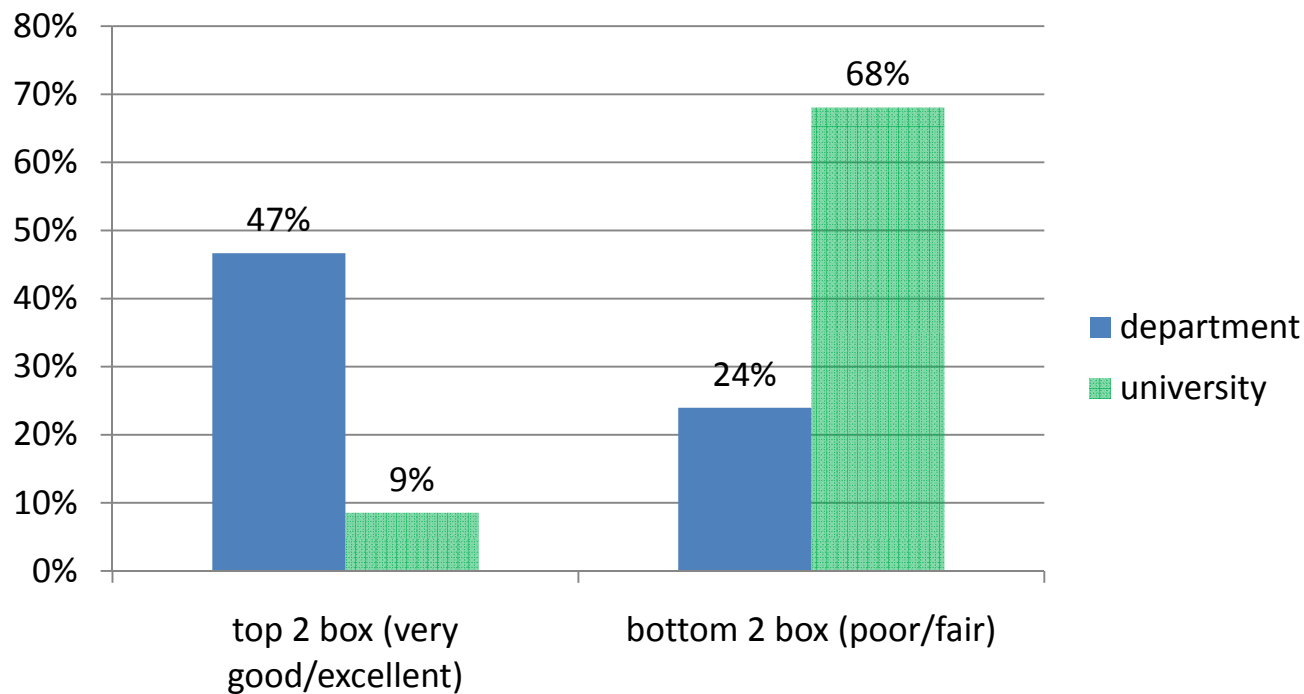


Recommendations (cont'd):

- It would be helpful for the president to provide an explanation of the recent change to all funds budgeting. Has the new system helped in dealing with the budget shortfall? Why or why not?
- Regarding the federal stimulus package, a recent memo from President McCormick provided information about three categories of funding: tuition, research, and operating support. We recommend that the president provide more information as it becomes available, especially how much operating support will be given to Rutgers, and how Rutgers will use those funds.
- There are concerns about the lack of funding for facilities maintenance. Can any of the stimulus monies be used for facilities? Specific information about the facilities budget would be helpful. It might clarify for people why and when funds are being put toward new buildings and landscaping if their own building is not being properly maintained. The current work order system could be improved to allow for better tracking of facilities problems to decrease the reliance on meetings and telephone calls for status updates.

Budget decision-making overall rating: department and university

- Almost half of respondents (47%) rate their department as excellent or very good in budget decision-making overall.
- The feeling is reversed for the university, with over two-thirds (68%) giving it a poor or fair rating for budget decisions.



Q4 How would you rate your department in making budget decisions overall: (five-point scale: poor, fair, good, very good, excellent)? base=555

Q6 Thinking about the university in general, how would you rate the university in making budget decisions overall? base=526

Examples of good budget decisions made by the university

- University efforts to “go green” by creating online forms and reducing paper mailings is the number one item mentioned (16%) among examples of good budget decisions. The theme of green is mentioned three other times (see next page): energy conservation (6%), recycling (4%), and putting Focus magazine online (3%).
- The second most-mentioned item is capital projects and facilities maintenance (13%). The plans to redesign Livingston campus (7%) and College Avenue (4%) both receive positive mentions.
- The recent forensic audit conducted by the state is cited as a good idea (10%); respondents feel the stricter regulations were much needed.

| examples of good budget decisions made by the university | % mentioned |
|--|-------------|
| green- more online forms, less paper mailing | 16% |
| capital projects and facilities maintenance | 13% |
| forensic audit- stricter regulations | 10% |
| RIAS- more efficient | 8% |
| Livingston campus redesign | 7% |
| green- energy conservation | 6% |
| staff/faculty- maintaining salaries/benefits | 5% |
| financial aid for students | 5% |

Examples of good budget decisions (cont'd)

- Respondents find RIAS to be more efficient than the previous system (8%) and eagerly await phase III implementation, especially online payroll (see previous page).
- Other good decisions cited by respondents include: maintaining salaries and benefits (5%), financial aid for students (5%), technology upgrades (4%), and the football stadium expansion as a source of revenue (4%). See lists on both pages.

| examples of good budget decisions made by the university | % mentioned |
|--|-------------|
| green- recycling | 4% |
| technology upgrades | 4% |
| College Avenue campus redesign | 4% |
| football stadium- good source of revenue | 4% |
| purchasing- use of bidding, bulk ordering | 4% |
| green- Focus magazine online | 3% |
| reorganizing of the colleges | 3% |
| equipment maintenance and repair | 3% |

Q7 Are there specific examples of good budget decisions the university has made? List up to five (optional). base=129 mentions

Examples of bad budget decisions made by the university

- Aside from problems with top executives and the athletics program, discussed later in this report, organizational inefficiencies received the most mentions (11%) as examples of bad budget decisions made by the university.
- The second most-highly mentioned bad decision is to neglect facilities maintenance (8%), which has innumerable costs due to deferred maintenance, results in low morale among students and employees, and creates a bad impression for visitors.
- The campus re-design projects are seen by some as inappropriate and unnecessary during the current fiscal crisis: College Avenue (6%), Livingston (2%).

| examples of bad budget decisions made by the university | % mentioned |
|--|-------------|
| organizational inefficiencies | 11% |
| neglect of facilities maintenance- results in costly damage and low morale | 8% |
| wrong priorities | 6% |
| College Avenue campus redesign inappropriate during fiscal crisis | 6% |
| green- energy conservation not done enough (HVAC, lights, computers) | 6% |
| technology- not invested in, not supported | 5% |
| lay-offs | 5% |
| too much spent on travel, meals, cell phones | 5% |
| new capital projects in bad economic climate | 5% |
| salaries & promotions- process unclear/unfair | 4% |
| cutting staff and services | 4% |
| purchasing- not enough bidding out jobs or other controls | 4% |

Examples of bad budget decisions (cont'd)

- Although efforts have been made in energy conservation, respondents find the HVAC systems in their buildings inefficient and wasteful (6%). Some respondents suggest going to a four-day workweek to conserve energy (3%).
- Respondents cite several types of unfair treatment of staff: lay-offs (5%), procedures around salaries and promotions is unclear (4%), cuts are being made to staff and services (4%), increases in workload go unrecognized (3%).
- Respondents think it is a bad decision to overcrowd classrooms (3%) and increase tuition (2%).

| examples of bad budget decisions made by the university | % mentioned |
|--|-------------|
| staff- increased workload/no recognition | 3% |
| faculty- inconsistent teaching load | 3% |
| green- too many paper publications/internal mailings | 3% |
| overcrowding classes | 3% |
| university promotions not cost-effective, e.g., RU branding campaign | 3% |
| green- should go to four-day workweek to save energy | 3% |
| Livingston campus redesign inappropriate during fiscal crisis | 2% |
| increase in tuition not fair to students | 2% |
| parking fees too high | 2% |
| hiring decisions questionable | 2% |
| internal vendors not used enough | 2% |
| more transparency needed | 1% |
| RIAS- not implemented on a timely basis | 1% |

Q8 Are there specific examples of bad budget decisions the university has made? List up to five (optional). base=304 mentions.

Examples of bad budget decisions (top executives)

- Problems with top executives received the second-highest mention as an example of a bad budget decision made by the university, second only to football and athletics. The most frequently mentioned concern is that the administration is top-heavy and that many senior hires are unnecessary (37%), including vice-presidents, deans, and directors.
- Respondents also feel executive salaries and bonuses are too high (28%) and question why lower-level positions are being cut while so many senior executives are being hired (18%), especially during bad economic times (7%).

| examples of bad budget decisions (top executives) | % mentioned |
|---|-------------|
| top-heavy administration, unnecessary | 37% |
| salaries/bonuses too high | 28% |
| cutting staff, but keeping top-heavy management | 18% |
| senior management ineffective | 10% |
| big salary hires during bad economic times | 7% |

Examples of bad budget decisions (football/athletics)

- The football program and the athletics department received the most frequent mentions of bad budget decisions made by the university, with the most prominent being the expansion of the football stadium (51%).
- Respondents feel too much attention and money is being given to football (11%) and athletics (7%), at the expense of academics (5%) and other sports cut in recent years (7%). Respondents also feel salaries and bonuses are too high: coaches in general(10%), football in particular (6%), and the new athletic director (3%).

| examples of bad budget decisions (football/athletics) | % mentioned |
|--|-------------|
| expansion of football stadium | 51% |
| too much attention/money spent on football | 11% |
| coaches' salaries/bonuses are too high | 10% |
| too much attention/money spent on athletics | 7% |
| cutting six Olympic sports | 7% |
| football coach's salary is too high | 6% |
| funding athletics/football at the expense of academics | 5% |
| athletics director's salary is too high | 3% |

Final comment

- In a final comment, respondents reiterated concerns mentioned earlier, for example: top executives are continually being hired while staff are being cut (13%).
- People feel many more things can be done to “go green” at Rutgers (12%), especially with upgrading HVAC systems and moving forms and processes online.
- To help address the budget shortfall, respondents suggest offering staff the opportunity to take voluntary unpaid leave (13%) and urge management to avoid lay-offs (5%).
- Eight percent (8%) feel that more transparency in the university budgeting process is needed.

| final comment | % mentioned |
|---|-------------|
| top execs- cuts always start at the bottom | 13% |
| should offer voluntary unpaid leave | 13% |
| green- many more things can be done | 12% |
| staff- increase in workload not recognized | 11% |
| more transparency needed | 8% |
| department underfunded | 8% |
| department doing good w/ careful spending | 7% |
| should do more cost-sharing between departments | 7% |
| progressive system of salary give-backs | 7% |
| avoid lay-offs | 5% |
| forensic audit was a positive step | 5% |
| priorities- focus more on services to students | 5% |

Selected comments

On the need for transparency:

- Sometimes it is hard to see how the university as a whole budgets it's money.
- My experience is that operations are kept secret from us. What is the problem with employee inclusion in the operations end? It's almost as though they are afraid to give out information. Confidence and faith in our leadership is at an all-time low.
- Budgeting is done on a piece-meal basis without prioritizing or providing sufficient resources to truly change the institution.
- Hiring so many high level, high salary positions. How many VP's do we need?
- Cutting custodial and maintenance positions without cutting the number of assistants each administrator has.
- Do we really need to green College Avenue right now?
- Rutgers Day is costing the university \$1 million. In this financial climate, is it that crucial to devote those resources to a marketing campaign whose success or failure is very much tied to that day's weather forecast? Huddle With the Faculty is a proven disaster.
- Admitting more students and overcrowding classes is not educationally sound nor is it a good budget decision.
- Thank you for allowing the college community to voice it's opinions. I really hope that we look at every aspect of what can be done before making lay-offs.
- I think that this thought process is a great first step and shows growth in the University's goal of being a more transparent community. I very much appreciate being asked for my opinion!

Selected comments (cont'd)

On treatment of staff:

- It's as if the University thinks it can still have its daily latte and other luxury items while the only way to meet the budget is to end people's careers.
- Imposing cuts on departments, as if a needed thing NOT GETTING DONE was equal to really saving money.
- Providing the same level of service with a shortage of staff is highly stressful and likely to make remaining staff feel abused by the system as a whole. It does little to engender job loyalty and lowers morale.

On the condition of buildings:

- Continued cuts and condensing of central departments like facilities, custodial services, and security decreases the quality of life for students, faculty, and staff, not to mention how these dilapidated structures and overflowing trash bins and breaches in security (muggings, thefts, car break-ins) portray Rutgers to donors and to the general public.
- My office is efficient, but the building in which we work is not! We have poor electrical, plumbing, and heating. A lot of money could be saved by fully repairing these problems. For example - the heat blasts without repair and staff uses air conditioning and opens their windows in order to work. How much money is wasted with both the heat and air conditioning running at the same time for weeks? How much money is wasted with a sink that streams water even when it's turned off?
- Lack of true fixes to the major facilities issues. Waste on band-aiding old infrastructure and utilities instead of spending the money to correctly address the problems.
- These are not healthy or pleasant environments to work in daily for eight hours.
- The cleanliness in this building has plummeted to an all-time low since the start of FY09. I am embarrassed to have visitors.

Selected comments (cont'd)

On football/athletics:

- What can I say - the bad football decisions have dwarfed everything else.
- I am a season ticket holder for RU Football, but I think too much money is being spent on the program and on coaches' salaries.
- I attend football games but in the budget climate over the last five years, I feel a new stadium was not needed at this time.
- Committing significant money to athletics and a capital campaign to the detriment of daily operations. Both need to be invested in, but that investment should be tempered by the national economic climate and financial solvency of academic departments.
- Building a new stadium while academic departments are overworked, understaffed, and getting worse.
- \$100,000,000 (yes, that's really how many zeros) football stadium expansion for an 8W-5L team?
- Everything to do with the Department of Athletics>> stadium, football, parking, all of it.
- Football stadium - rebuilding for a losing program during economic hardship is fiscally irresponsible.
- Expanding the stadium was one of the most irrational things this university has ever done.
- Making questionable deals to acquire a famous football coach, which included a sweetheart deal on a mortgage, again using money for sports instead of academics. Are we an institution of learning or a sports club?
- Willing to pay to fulfill contracts of terminated employees in athletics, but not willing to adhere to contracts with unions.
- Salary increases for the football coach are outrageous when looking at the rising cost of tuition for students.