

The University Senate of Michigan Technological University

Proposal 38-16

(Voting Units: Full Senate)

“Restructuring the Senate Budget”

I. Introduction

Over the last 10 years the Senate budget has been roughly flat at \$95,000. However, the portion of this amount earmarked for the compensation and release time of the Senate president and secretary has varied greatly depending on the actual salary of these officers over time and as officer’s change. This is due to the fact that this amount is calculated as a percentage of the officer’s actual salary. As a result, the budget available to the senate to run its daily business and support its function, such as inviting speakers, hiring an intern, etc., has been highly variable. A second issue relates to the overall management of the Senate budget. Historically, the financial manager for the Senate’s account has been the President of the University. Recently, this responsibility was transferred to the Provost. However, for the Senate to be able to function properly and independently it is logical that the Senate president should be the manager of the Senate budget. Finally, through proposal 6-15, the Senate accepted the Administration’s offer to adjust the Senate’s budget with the addition of \$5,546.75, earmarked for a net \$3,500 in annual bonus payment for the Senate’s vice president. This set a precedent for fixed, versus variable, compensation for Senate officers. However, under the current system, the compensation for the Senate president and secretary is still variable.

Proposal 38-16 addresses the three issues described above. It is proposed that the Senate budget be split in two separate accounts. A first account will contain the amount earmarked for the officers’ compensation and will be managed by the Provost. A second account will contain the amount earmarked for the Senate to run its daily business, and will have the Senate president as manager. Finally, it is proposed that the current variable-compensation system for the Senate president be replaced by a fixed-compensation system for both the Senate president and Senate secretary. Furthermore, part IV of this proposal would replace proposal 6-15. If accepted, the proposed changes will go into effect in the 2016-2017 academic year.

II. The Current, Variable-Compensation System

Currently, the Senate president receives 33 percent release time, and the Senate secretary receives 16 percent release time. The dollar amount corresponding to the release time goes to the officer’s department. The Senate president also receives the greater of one-ninth of his or her academic year salary or \$10,000.

III. The Proposed Splitting of the Senate Account

It is proposed that the Senate account be split into two separate accounts. The first account (Account 1 hereafter) will contain the amount earmarked for the officers’ compensation as well as the Senate assistant’s wages and fringe benefits. The financial manager of Account 1 will be the Provost. The second

account (Account 2 hereafter) will contain the amount earmarked for the Senate to run its daily business. The financial manager of Account 2 will be the Senate president.

IV. The Proposed Fixed-Compensation System (Account 1)

It is proposed that fixed compensation for the Senate president and secretary be based on the average of the 2014-2015 salaries of the senators and alternates eligible to serve in these positions (i.e., tenured faculty) during the fall of 2015, as described below. This compensation will be adjusted following the yearly average base salary raises.

The average, 2014-2015 salary of the 26 tenured faculty members serving as senators or alternates during the fall of 2015 was, rounded to the nearest thousand, \$94,000.

One-ninth of \$94,000 = \$10,444 compensation for the president. Round down to \$10,000.

25% (down from 33% in the current system) of \$94,000 = \$23,975 to the president's department for release time. Round to \$24,000.

60% of the president's compensation = \$6,000 as compensation for the vice president.

40% of the president's compensation = \$4,000 as compensation for the secretary.

15% (down from 16% in the current system) of \$94,000 = \$14,100 to the secretary's department for release time. Round to \$14,000.

Finally Account 1 shall also be used for the Senate assistant's wages, and fringes.

V. The Proposed Senate Budget (Account 2)

It is proposed that every year on July 1st a fixed budget be made available to the Senate in Account 2 to run its daily business for the next academic year. It is proposed that starting on July 1st 2016 this amount will be \$40,000. This amount is based on a low estimate of the value of the senators' work. An average of 40 senators (not counting alternates), working at \$1000 per year is an initial estimate of the value of the senators' contributions. This amount will be adjusted for inflation on a yearly basis. Daily business includes, but is not limited to, office supplies, meeting recordings, inviting speakers, hiring student interns, Senate assistant's bonus, light refreshments at the beginning of senate meetings, or any other related expenditure.

If the Senate deems it necessary for its efficient functioning that expenditures exceeding that year's budget are required, the Senate President shall introduce a formal well motivated request for additional funds with the Provost's office. It is up to the Provost to accept, decline or alter this request.

It is proposed that the carry forward on Account 2 shall not be larger than 10% of that year's budget. Any amount above this 10% in Account 2 at the end of the academic year shall be transferred back to the Provost's office.

VI. Management of and Oversight over Account 2

It is proposed that the Senate president be the manager of Account 2. For all expenses exceeding 2.5% of that year's budget, the Senate president shall seek prior approval of the Senate's executive committee. For expenses exceeding 10% of that year's budget the president shall seek approval of the full Senate. The president shall also provide a bi-monthly overview of the budget to the Financial and Institutional Planning Committee, and present once every semester, during his/her president's report, an overview of the budget to the full senate.