

Faculty Participation in Campus-Level Budget Decisions on Financial Difficulties

BL-ACA-XXX

About This Policy

Effective Date:

Date

Last Updated:

Date

Administering Office:

Bloomington Faculty Council

Related Information

[University Policy ACA-41](#)

[AAUP Recommended Institutional Regulations on Academic Freedom and Tenure, § 4. C.](#)

[BL-ACA-D16](#)

Scope

All Indiana University Bloomington (IUB, see Definitions § A.) faculty with tenure and academic appointees holding long-term appointments (hereafter “faculty”).

Policy Statement

- A. Whenever a financial emergency for ~~Indiana University generally or the Bloomington campus~~IUB as a whole, ~~(see explanations in § B. below)~~ becomes appears imminent, the Bloomington faculty and administrators together shall consider the situation and the means for alleviating it. The campus shall strive to avoid impairment to its academic missions of research, teaching, and service. (For situations of financial exigency affecting Indiana University generally, see ACA-41.)
- B. Financial Difficulties:
 - a. A financial crisis for IUB ~~as a whole~~ would be a situation in which an unusual deficit, either incurred or anticipated, could be settled only through a level of retrenchment which might seriously impair IUB’s academic missions of research, teaching, and service, including, but not limited to, the merging and/or elimination of programs.
 - b. A financial exigency for IUB ~~as a whole~~ would be the worst type of financial crisis; a demonstrably bona fide, imminent financial crisis which ~~threatened~~threatens the survival of IUB as a whole and which ~~could not~~cannot be alleviated by means less drastic than the termination of faculty appointments ~~with tenure or of faculty appointments without tenure~~ before the end of the specified terms.^{*}(See Definitions § B.)

Policy Summary

This policy provides a stand-alone, updated version of what was originally § VIII from BL-ACA-D16. It defines, in general terms, the role of faculty in campus-level budgetary decision-making in response to various levels of financial difficulties that the campus might face, the gravest of which would be a situation of financial exigency.

Procedures

- A. As soon as a financial crisis for IUB ~~as a whole becomes appears~~ imminent or an ongoing financial crisis worsens, the provost shall request ~~the~~ recommendations ~~effrom~~ the Bloomington Faculty Council (BFC-). This

information will be supplemented by a report ~~by~~from the Budgetary Affairs Committee (BAC) ~~and recommendations/input from the Creation, Reorganization, Elimination, and Merger (CREM) committee.~~ If the ~~Provost~~provost believes that the circumstances for the IUB campus ~~as a whole or Indiana University generally~~ may be severe enough to lead to a declaration of financial exigency, then ~~he or she~~they shall request ~~that~~ the BFC consider ~~this possibility~~the best way forward.

- B. The BFC shall secure and review relevant information, both budgetary and otherwise, about the campus and the entire University. The BFC shall consult with the provost, the campus deans, the school deans, ~~and~~ other campus administrators. ~~The BFC shall consult with, and~~ the relevant BFC committees; BFC members shall consult with their faculty constituents; and the BFC shall consult with representatives of other affected campus groups, such as the Professional Council, the organizations representing affected support staff, the ~~IUSAG and GPSG~~Indiana University Student Government and the Graduate and Professional Student Government.
- C. The BFC shall consider alternatives/options for alleviating the situation. Within 30 days of the request from the provost, the BFC shall submit to the provost reports on their deliberations, their judgment of the severity of the situation, and their recommendations for alleviating the effects, as well as whether the severity of the crisis warrants a declaration of financial exigency.
- D. If financial exigency is declared for the IUB campus and all options short of eliminating faculty appointments have been exhausted, the BFC, BAC, and CREM committee will be charged with providing, considering the financial realities of the campus, collaborate in gathering information that is related to but not strictly of a budgetary nature that may establish regarding the scholarly value of a unit threatened with elimination all impacted units.
- D.E. It is expected that the recommendations and information provided by the BFC (as well as the unit's place in the larger landscape of intellectual and professional endeavors, and a historical record of the unit's sustained contributions to its academic mission as whole stated in C. and D.) will be utilized by the administrators in making decisions.
- E.F. Upon receipt of the recommendations of the BFC, the Ppresident of the Uuniversity shall meet with the President and Executive Committee of the BFC and the Cchairs of the BAC and the CREM committee to discuss the recommendations. Subsequently, the Ppresident of the Uuniversity shall notify the BFC of the Ttrustees' and administration's assessment of the crisis and the proposed means for alleviating it and shall allow an opportunity for questions and discussion in a time frame to be agreed upon by the Ppresident and the BFC.
- G. If a financial exigency is declared, the declaration shall expire within one year from the date of its announcement, unless this full review procedure is invoked again.
- H. In the rare scenario of a state of financial crisis or exigency in which time constraints may limit the ability of the administration to follow through with each step outlined in the above procedures, the president or provost must 1) consult with the BFC Executive committee and 2) provide a justification to the full BFC for circumventing any of the aforementioned procedures, such as via an emergency convening of the full BFC.

Definitions

- A. The term "Indiana University Bloomington" (IUB) shall refer to all academic and nonacademic units and subunits of Indiana University that either exist on or report to Bloomington campus academic or administrative officers.-
- B. "Termination of an appointment with continuous tenure, or of a probationary or special/other nontenured appointment before the end of the specified term, may occur under extraordinary circumstances because of a demonstrably bona fide financial exigency, i.e., an imminent a severe financial crisis which threatensthat fundamentally compromises the survival/academic integrity of the institution as a whole and whichthat cannot be alleviated by less drastic means." AAUP 1976 American Association of University Professors 1940 Recommended Institutional Regulations on Academic Freedom and Tenure, page 17-§ 4. C. (revised 2018).

History

This document was originally subsection VIII. under the procedures of BL-ACA-D16 and was extracted in 2022 to become a stand-alone policy.