

Faculty Participation in Campus-Level Budget Decisions on Financial Difficulties

BL-ACA-D17

About This Policy

Effective Dates:

04-05-2022

Last Updated:

04-05-2022

Responsible University Office:

Bloomington Faculty Council

Scope

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

Policy Statement

1. Whenever a financial emergency for IUB as a whole (see explanations in § B. below) 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](#).)
2. Financial Difficulties:
 - a. A financial crisis for IUB 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 would be the worst type of financial crisis; a demonstrably bona fide, imminent financial crisis which threatens the survival of IUB as a whole and which cannot be alleviated by means less drastic than the termination of faculty appointments 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.

Procedure

1. As soon as a financial crisis for IUB appears imminent or an ongoing financial crisis worsens, the provost shall request recommendations from the Bloomington Faculty Council (BFC). This information will be supplemented by a report from the Budgetary Affairs Committee (BAC) and recommendations/input from the Creation, Reorganization, Elimination, and Merger (CREM) committee. If the provost believes that the circumstances for the IUB campus may be severe enough to lead to a declaration of financial exigency, then they shall request that the BFC consider the best way forward.
2. 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, other campus administrators, 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 Indiana University Student Government and the Graduate and Professional Student Government.

3. The BFC shall consider 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.
4. 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, considering the financial realities of the campus, collaborate in gathering information regarding the scholarly value of all impacted units.
5. It is expected that the recommendations and information provided by the BFC (as stated in C. and D.) will be utilized by the administrators in making decisions.
6. Upon receipt of the recommendations of the BFC, the president of the university shall meet with the Executive Committee of the BFC and the chairs of the BAC and the CREM committee to discuss the recommendations. Subsequently, the president of the university shall notify the BFC of the trustees' 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 president and the BFC.
7. If 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.
8. 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

1. 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.
2. "Termination of an appointment with continuous tenure, or of a probationary or 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., a severe financial crisis that fundamentally compromises the academic integrity of the institution as a whole and that cannot be alleviated by less drastic means." American Association of University Professors 1940 Recommended Institutional Regulations on Academic Freedom and Tenure, § 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.

Related Information

[ACA-41, Faculty Role Regarding University Financial Exigency](#)