

To: SACUA

From: Sara Soderstrom, Chair, Financial Affairs Advisory Committee (FAAC)

Subject: Report on Activities of the Financial Affairs Advisory Committee (FAAC) for 2024-2025

Members:

Julie Boland
Francine Dolins
Vance Jackson
Daniel Nemser
Becky Peterson
Hsiao Sung
Gillian White
Jefferson Williams
Pamela Wong

SACUA Liaison:

Vilma Mesa

Meeting Dates:

Fri. 9/27: 3-4pm (members only)
Fri. 10/18: 2-3pm
Tues. 11/19: 3-4pm
Tues. 12/3: 3-4pm
Thurs. 1/9: 1-2pm
Tues. 2/25: 3-4pm
Wed. 3/19: 9am-9:45am
Fri. 3/21: 2-3pm
Thurs. 4/24: 2-3pm

Committee Charge

- Review campus development planning pursuant to Vision 2034 and Campus Plan 2050, including in relation to the following:
 - Mental health support.
 - A review of U-M facilities in light of the ADA and to better support for community members with disabilities.
 - Renewable energy integration and U-M President's Commission on Carbon Neutrality (PCCN).
 - Automated transit systems for enhanced connectivity.



- Campus planning for spaces, services, and shops that support academic life broadly (such as coffee shops, stores, ect.) wherever members of the U-M community are.
 - Planned building renovations, replacements, or planned demolitions.
 - U-M's capital planning in support of major capital projects.
- As needed and in coordination with SACUA and a summer working group, the Ethical Investment Committee, establish a framework by which faculty, staff and student views about the ethics of the university's investments would help shape investment policies.
- Review recent U-M procurement changes.
- Consider emergent issues or topics brought forward by the FAAC committee members and/or VP Chatas for discussion over the course of the year, including in relation to the university budget.

Committee Actions:

- Multiple meetings with representatives from the Provost's office to have more holistic discussion of the University budget, focusing on operating activities, revenue allocation, expenses, and the decentralized budget model.
- We grappled with decision-making authority and approaches of U-M executive leadership. For example, it is unclear what the relationship is between AI strategies and carbon neutrality, or Campus Plan 2050 and growth goals for U-M.
- Discussion on the Capital Council's new processes for increased transparency and evaluation criteria for capital projects.
- Discussion on federal impacts on UM's budget, maintaining liquidity, and financial strategies, with significant focus on federal budget changes and the effect on grants and indirect costs. Advocated for greater transparency and insight into decision points that would trigger more aggressive cost-cutting or hiring freezes.
- Memo sent to U-M executive leadership on February 28 noting concerns about shared governance, the changing political landscape, financial affairs, and communications
- Update on new procurement processes and systems changes. Discuss the tension between faculty agency, grant requirements, and U-M's desire for saving costs through benefits of scale in purchasing.
- Update on UM's carbon neutrality progress and goals, including tackling direct and purchased electricity emissions.
- Exploration of environmentally friendly investing and UM's leadership in climate solutions. Discussion of UM's strategies and ethical considerations in investments.
- Support ongoing work from the summer working group on ethical investments to inform the recommendation for a Values Investment Committee to advise the AVPCFO. Ideally, this would help address the need for better transparency, education, and communication regarding investments.

Recommendations:

- Continue 1:1 updates between Chair and AVPCFO two to three times a semester, ideally 1-2 weeks in advance of committee meetings to shape the agenda and discuss any pre-meeting review materials for the committee



FACULTY SENATE

SENATE ASSEMBLY

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- Continue to develop calendar for joint meetings with other Advisory Committees to build understanding and share faculty perspectives in a more integrated manner about financial affairs
- Consistently structure meetings for regular updates on key areas of EVPCFO's units while saving time for matters arising. We recommend an annual calendar of updates that can be consistently shared across different FAAC groups from year to year (e.g. September - endowment; October - carbon neutrality in operations; November - procurement).
- Develop connections with the Values Investment Committee (if/when launched) to continue guidance from this past year. Continue to focus on transparency around investment strategies and community education about the university's financial activities and commitments.
- Determine how to effectively provide faculty guidance on financial affairs for UM-Flint and UM-Dearborn. One suggestion was to set up annual meetings with key university finance representatives, including those from UM-Dearborn and UM-Flint campuses, to ensure holistic oversight.
- Continue to use [Dialogue Guidelines](#) to shape meeting discussions, especially around potentially contentious issues and/or with guests who are not used to the committee approach