

MINUTES 104TH FC MEETING – 2 SEPTEMBER 2008

Attendees

FC Members	Guests	MT	Official Secretary
Frank Wijen	Koos Hogervorst	Steef van de Velde	Catheleyne Jurgens
Jan Sirks			
Jimmy Tseng			
Linda Huinink			
Erik van Veen			

1. Opening

The Chair opens the 104th FC meeting and welcomes everyone. Koos Hogervorst has been invited to the meeting to clarify the RSM Budget 2009.

2. Agenda

There are no questions or points to be added to the agenda.

3. Minutes

The minutes of the FC meeting of 13 August 2008 are approved without further remarks or amendments.

Eric Waarts has made some annotations to the minutes of the FC meeting of 26 August 2008 regarding "Follow-up on Letter of Advice 'Scale and Quality of Education'" (point 5), in particular:

- The section on *Raising the level of BSc and MSc courses*, last sentence, to be added: The answer is affirmative, *this occasionally happens in the MSc BA programme*.
- The section on *Using additional assessment instruments for educational quality*, the sentences: "Evaluations are always about averages, variances are not being considered. Sometimes, explanations for student evaluation outcomes can be given, sometimes not", to be replaced by: "Evaluations are *primarily* about averages, variances are not being considered *in first instance*. Sometimes, *specific* explanations for student evaluation outcomes can be given, sometimes not".
- The section on *Ensuring a concurrent and proportionate growth of faculty*, the sentence: "..., Eric is of the opinion that they are good for training within working sessions....", to be added: "..., Eric is of the opinion that they are *an excellent option* for training within working sessions....".

The minutes are approved without further remarks or amendments.

4. Announcements

The FC makes one announcement:

- Double-sided printing has been set as a default option on the RSM Network printers at the T-Building by BIT as a result of the FC's effort to reduce RSM's paper consumption.

5. Housing International Students

Disturbing reports have reached the MT about the problems regarding the housing of international students. The Chair emphasizes that it is a shame for RSM that presents itself as a truly international business school but is not able to offer international students decent housing. The issue has been on the FC's agenda before (in June) and at that time it had already been stated that 'Stadswonen' did not perform properly. Linda wonders if international students now have preference over other tenants. Jan stresses that the central EUR

reorganisation into Shared Service Centres (SSC) has been initiated to provide good services to all EUR faculties. He also underlines that 'Stadswonen' does not have to keep up an image in relation to the students, while the central organisation is much more focused on the satisfaction of the EUR students. Since RSM is a major customer, it should definitely make a complaint about the lack of services. Erik remarks that there was also the useful practice that outgoing students exchanged their rooms with incoming students. He has his suspicions that this is not the case anymore since the initiation of the contract with 'Stadswonen', which is a missed opportunity. The Vice-Dean notes that the process of allocating housing did not proceed smoothly in previous years. For this year it is too late, but for the years to come things need to be changed.

The Chair summarizes two issues which should be dealt with by RSM:

1. Complain to the EUR about the contract with 'Stadswonen' and remind them of their service level agreement.
2. Investigate whether room exchange by outgoing and incoming student is still the case (contact the International Office), and if not, reintroduce the system.

Erik proposes to follow-up on this point in the next meeting.

6. RSM Budget 2009

Frank highlights that the budget's format has been improved. This is a step in the right direction and it will hopefully lead to further improvements.

Koos explains that the Budget is a less detailed plan due to 3 reasons:

1. The budget per business unit will be discussed this autumn.
2. The state funded part of the School is in the process of changing its administrative financial system.
3. The 'Kadernota 2009' (i.e., framework plan for 2009) indicated that only the essential financial points of the budget will be shown.

Frank asks when the new system will be operational. Koos: As of January 2009 the SAP system will be ready for operation. The new system enables the generation of management information more easily, as well as linking to other systems such as human resource management. The possible overviews will be almost endless. The financial staff will be comprehensively supported by the EUR central services and will attend a couple of training courses. The part of the budget policy plans concerning Education and RSM BV will be available shortly.

Erik wonders how the overall structure of the budget should be regarded. Koos: the School consists of the faculty, RSM BV, and the Corporate Communication Centre (CCC), the latter also being a part of the EUR holding. In the end, the RSM budget is a consolidated budget of these three entities. Furthermore, Erik would like to know how the percentages have been determined on the contribution of RSM and Erasmus School of Economics (ESE) to the joint research school ERIM. Koos: The infrastructure costs are always split on a 50/50 basis. The number of researchers and their qualifications assess the relative contributions. It is a purely objective determination, not open to negotiations. The Vice-Dean affirms that the research school has been growing. More and more researchers become ERIM members and their qualifications increase as well (i.e., there are more 'high performers'). The latter should lead to more funding from research institutions (e.g., the Netherlands Science Foundation, NWO) and non-state revenues ('second and third flow income streams'). Besides that, the appointment of a Corporate Alumni Director who strengthens RSM's ties with business society should result in increased income. So far, RSM does not have any Alumni contributions.

Koos explains the system of internal allocation, which implies that the post-experience educational programmes buy the services of faculty from the academic departments. The academic departments are relatively autonomous business units with profit-and-loss responsibilities and which apply, and are responsible for, their own departmental policies. Frank would like to know how RSM intends to go about the foreseen budget deficit of €1.5 million. Koos explains that the investments mentioned on page 7 will lead to the deficit, together with two other reasons. The estimation of €1 million for tuition fees will probably be €250,000 more and the Dean has promised to share in the support for the Central Library, which will cost RSM €250,000 more. Besides, the budget only comprises the income attributed by the “Kadernota” and the EUR will also have to wait and see how much the Dutch government is ready to pay for the degrees of graduating students. The deficit should be interpreted against the backdrop of postponed revenues for current services. The answer to Jan’s question of whether the budget should be seen as a tool for financial control is affirmative. During the year, budget monitoring and adjustment will take place. The Vice-Dean is in favour of a conservative budgeting method. Investments precede revenues. The aim of the additional investments is exactly to generate more income. Koos mentions that the budget is not overly conservative, because the deficit of € 1 million is a fact.

Frank wonders why the financial situation of each academic department is not mentioned separately. Koos: the budget-related conversations with each academic department will take place this autumn. Furthermore, Frank is interested in why an amount of €1 million more than last year has been budgeted for the Dean’s Office. Koos: The amount is budgeted not only for the Dean’s Office but also for the supporting departments (such as the financial office, P&O, BIT, Alumni relations, and the Library). The new positions of the Director Corporate Relations and Accreditation Officer and the contribution to the central library are also part of the Dean’s office’s expenses.

Apart from the content of the budget, the Chair insists on a timely release of future budget plans. Koos: it would be preferable to release the budget at a later stage, perhaps around 15 September, when the MT has also approved the draft budget and their point of view has been incorporated. The Vice-Dean agrees that future budget plans should be sent to the Executive Board at a later stage than now. Furthermore, Frank wants to know about the developments concerning the transfer-pricing system. The Vice-Dean answers that the MT has received a proposal in August, which will be discussed during the MT meeting of coming Thursday (4 September).

To conclude, Erik asks who the shareholders of RSM BV are. The Vice-Dean’s reply is: the Executive Board is formally shareholder and they decide on how the money will be spent. In practice, though RSM has a large influence on this process. Koos also points out that a reserve of € 2 million is available to invest and will be invested in a case development centre, a new Chair in Ethics, development of a harbour institute, and corporate marketing.

7. EUR-RSM Covenant

The Chair expounds the FC’s view by saying that the FC endorses, by and large, the ambitions expressed in the document. At the same time, the FC regrets that relevant issues such as the development of secondary processes and RSM’s role in society, from Topic 3 (p. 11) onwards, have remained underspecified. It would be good to reflect on, and further develop, these important topics as well. Jan adds that he misses a timeline with intermediary goals. Jimmy remarks that the administrative processes miss a certain transparency at RSM. The Vice-Dean responds to this point that it is not always clear how these topics should be measured or how many investments are involved to achieve the respective goals. The Covenant should be seen as a thought process, rather than as a binding agreement. Some plans may need to be adapted in the medium future. The document will not change RSM’s current strategy. It should be seen as an outlook, topics to reflect on, and should be seen in connection with other plans. However, the Vice-Dean will ask the MT about these topics.

8. Any other business

No further items need to be discussed.

9. Closure

Frank closes the meeting at 12.05 hrs.

Next FC meeting 6 October 2008 12.30hrs in T07-67.

Action points FC meeting 2 September 2008

1. Follow up on the (International) student housing problem next meeting.
2. Koos will adapt passages in the budget that need to be clarified or expanded.