

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
December 1, 2011

PRESENT: Greg Boardman, Amy Brunner, Tom Caceci, Martin Daniel, Mike Ellerbrock, Elizabeth Fine, Wendy Herdman, Tim Hodge, Hugh Latimer, Maxine Lyons, Mark McNamee, Allante Nelson, Quinton Nottingham, John Phillips, Dwight Shelton, Ken Smith

ABSENT: Vanessa Alphonse, Erik Ervin, Andrew McCoy, Connie Stovall

1. CALL TO ORDER

Dr. Mark McNamee, Senior Vice President and Provost, called the meeting to order at 3:00 p.m.

2. APPROVAL OF THE OCTOBER 27, 2011 MINUTES

Dr. McNamee announced that the minutes of the October 27, 2011 meeting have been approved and sent to University Council for posting on the web.

3. UPDATE ON THE STATE BUDGET PROCESS

Mr. Shelton, Vice President for Finance and Chief Financial Officer, provided an update on the current state budget process that the Commonwealth has put in place to evaluate the prospects for the state budget for fiscal year 2012 and the upcoming 2012-2014 biennium. The General Assembly money committees met in November, and the Governor met with two advisory councils in November. The consensus is that the Commonwealth will have an overall state deficit in 2012-14; the state revenues are expected to grow but not sufficiently to cover all cost drivers. Additionally, there remains the concern that the federal government will reduce federal expenses which could adversely impact state revenues.

In October the administration asked state agencies to prepare budget savings plans of 2, 4 and 6 percent of their General Fund budgets. Higher education was one of three areas exempted from this budget planning exercise. The state established workgroups to identify targeted budget savings and reallocation strategies across these three areas. These three areas remain exempted from the 2, 4 and 6 percent budget reduction planning; a 4 percent budget reduction is now predicted for other state agencies.

Any funding actions by state administration would likely be in the following areas: enhancement of Base Budget Adequacy funding, enrollment growth funding, incentive funding, student financial aid, and institution-specific initiatives. It is anticipated that the Governor's Executive Budget proposal being presented to the General Assembly on December 19 will reflect the Governor's proposals regarding funding for higher education as well as any proposals for agency savings or reallocations for higher education. Mr. Shelton will inform Council members of the Governor's proposals once they are announced.

4. GENERAL UPDATE ON UNIVERSITY BUDGET STRUCTURE AND PROCESS

Mr. Tim Hodge, Assistant Vice President for Budget and Financial Planning, presented an overview of the university budget structure for both the University Division and for the Cooperative Extension/Agriculture Experiment Station Division and the process by which the university develops its operating and capital budgets.

There being no further business, the meeting adjourned at 4:00 p.m.