

MINUTES

UNIVERSITY ADVISORY COUNCIL ON STRATEGIC BUDGETING AND PLANNING

February 26, 2009

PRESENT: Donna Dunay, Kyrille Goldbeck, Muhammad Hajj, Dixon Hanna, Scott Hurst, Lonnie Johnson, Ramanathan Kasimanickam, Patricia Lavender, Mary Ann Lewis, Pavli Mykerezi, Hardus Odendaal, Chris Pennisi, Don Rimstidt, Dwight Shelton, Tom Tucker, Daniel Wubah

ABSENT: Steve McMullin, Mark McNamee, Linda Tegarden

GUEST: Bob Broyden

1. CALL TO ORDER

Mr. Dwight Shelton, Vice President for Finance and Chief Financial Officer, called the meeting to order at 3:00 p.m.

2. APPROVAL OF THE JANUARY 22, 2009 MINUTES

Mr. Shelton announced that the minutes of the January 22, 2009 meeting were electronically approved and sent to University Council to be posted on the web.

3. GENERAL ASSEMBLY ACTIONS ON VT BUDGET AND PROPOSED BUDGET REDUCTIONS

Mr. Shelton provided an update on the general assembly session and actions on the state's budget. He provided handouts summarizing the status of the 2009-10 General Fund Access and Affordability Funds, an analysis of General Fund appropriation for Student Financial Aid FY2009-10 as of crossover (February 8, 2009), and a detailed summary of proposed 2008-10 budgets as of February 18, 2009. The General Assembly is scheduled to adjourn on February 28, 2009. The Council will receive a report on the General Assembly's final decisions on the state budget at its next meeting scheduled on March 26.

4. UPDATE ON STATE BUDGET AND GENERAL ASSEMBLY SESSION

Mr. Shelton provided a handout showing the proposed budgets from the executive budget and each house of the General Assembly. The House amendments to the Executive Budget were passed by the House on February 10, 2009. On February 16, Governor Kaine released an updated revenue projection that included an additional \$821.5 million reduction in revenue for the biennium. On February 17, the Federal government passed the American Recovery and Reinvestment Act of 2009. The Senate then passed its budget amendments on February 18, 2009 taking into account the reduced revenue projection and the estimated federal stimulus funding. A joint budget conference committee will convene to resolve differences between the House and Senate budget recommendations and recommend a compromise budget by the February 28 adjourn date.

5. STATUS OF INTERNAL BUDGET REDUCTION PLANS ACTIVITIES

The university continues to work on developing strategies to align the University's base budgets in 2009-10 with the reduction announced by the Governor. The university is preparing a plan that identifies expenditure reductions and revenue enhancements that can be achieved on an ongoing basis beginning July 1, 2009, looking at all programs of the university while working to minimize the impact on the quality and program excellence of our academic enterprise. Because of the size of the state revenue shortfall and adverse impact of reduction, the university will consider a variety of measures, including administrative efficiencies, program consolidation, program elimination, as well as selective and differential reductions. All colleges and vice presidents' unit plans, which were submitted in December, are currently in the review process. Town Hall meetings were held in mid-February to discuss the implications of the state-mandated budget reductions. No final actions will be taken on internal budget reduction plans until the state offers the federal stimulus package and guidelines on tuition mitigation. Additional meetings will be scheduled at that time with senior administrators, and Council members will receive an update at its March 26th meeting.

6. 2010-2016 CAPITAL PLAN

Mr. Shelton provided a handout showing a draft listing of projects for the 2010-2016 capital plan. The list detailed projects currently in planning and those with no current planning funds, all of which are listed in 2010-2016 capital plans. Projects in planning include: (1) replace deteriorated section of Davidson Hall, (2) Signature Engineering Building, (3) Academic and Student Affairs Building, (4) Creative Technologies Laboratory (Shultz renovation), (5) Myers-Lawson School of Construction, Phases 2/3, (6) Addition to VBI, (7) Human and Agricultural Biosciences Building I, (8) Football Locker Room, and (9) Chiller Plant, Phase 1. There are 44 additional projects listed which currently have no planning funds.

7. AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

On February 17, the Federal Government passed the American Recovery and Reinvestment Act of 2009. The University is estimating it will receive around \$17.3 million but that will probably change. Federal stimulus funds are one-time for 2009-10 and 2010-11 only per the provisions of the Act. It will be another 3-4 weeks before the university will know how the state plans to distribute the funds.

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