

**MINUTES**  
**UNIVERSITY ADVISORY COUNCIL ON**  
**STRATEGIC BUDGETING AND PLANNING**

**May 27, 2010**

**PRESENT:** Daniel Martin, Erik Ervin, Kyrille Goldbeck, Muhammad Hajj, Anne Zajor (for Bill Huckle), Ben Johnson, Lonnie Johnson, Patricia Lavender, Dwight Shelton, Ken Smith, Linda Tegarden

**ABSENT:** Gilles Divoux, Scott Hurst, Gary Long, Steve McMullin, Mark McNamee, Don Rimstidt, Tom Tucker, Joey Zakutney

**GUEST:** Samantha Baker, Tim Hodge

**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 APRIL 22, 2010 MINUTES**

Mr. Shelton announced that the minutes of the April 22, 2010 meeting have been sent to Council members for approval, following which they will be sent to University Council for posting on the web.

**3. SUMMARY OF TUITION AND FEE ACTIONS**

Mr. Shelton and Mr. Hodge, University Budget Director, provided a summary of the tuition and fee actions. Tuition and fees are the main resource to help offset the impact of the budget reductions on academic costs. The University is working to leverage the entire fee structure to help the institution manage the budget challenges. Relative to peer institutions for 2009-10, the University ranks 10 out of 24 for in-state tuition and fees. The University ranks 18 out of 24 for out-of-state tuition and fees. The University is currently in the second year of the Federal Stimulus program. Non-resident students fund over half of the University's tuition budget. The University continues to make efforts to moderate the rate increases to be sensitive to potential elasticity of demand. The rate has increased \$20 million to help with the budget. \$1.2 million has been set aside to help students with financial need. Looking around the country we see that Maryland is holding back tuition increases while California is increasing tuition and fees. Virginia Commonwealth University increased tuition 24% in one year.

For undergraduate students, the Federal Stimulus funds continue to help mitigate increases. Resident graduate student rates are about average, and non-resident

graduate rates have been moved overtime to attain a targeted market position. For the School of Veterinary Medicine, the non-resident rate is in the 60<sup>th</sup> percentile.

#### 4. STATE REVENUE BUDGET AND FY2010-11 BONUSES

The General Assembly has stated that if state revenues increase by \$82 million above the current projection, a 3 percent bonus for state employees in December 2010 will be provided; if the revenue increase is less, the amount of the bonus will be prorated accordingly. It was discussed that the Governor and Secretary of Finance have recently publicly indicated that there is a good chance that state resources will exceed the target making the bonus possible.

#### 5. STATUS OF DEVELOPMENT OF INTERNAL BUDGET

The timeline on the development of the Internal Budget was discussed. July 1 was mentioned as a possible release date. If the state budget is not reduced again, the approximate 3% reduction will structurally balance the budget.

#### 6. MAINTENANCE RESERVE AND EQUIPMENT FUND BUDGET FOR FY2010-11

The state funds the Maintenance Reserve program, Equipment Trust Fund program, and much of the capital project with debt. The Commonwealth has a debt ceiling and indicates that due to capacity limitations that future debt issues are a challenge. The 2010 General Assembly charged the Secretary of Finance to review the Commonwealth's debt capacity – this review is expected to be completed this fall. Until the Commonwealth finds a way to fund these programs, there is no funding. The University is following this situation very closely.

#### 7. OTHER BUSINESS

Mr. Shelton announced that the June 17 meeting was to be cancelled.

There being no further business, the meeting adjourned at 4:07 p.m.