

MINUTES

UNIVERSITY ADVISORY COUNCIL ON STRATEGIC BUDGETING AND PLANNING

October 1, 2008

PRESENT: Donna Dunay, Kyrille Goldbeck, Muhammad Hajj, Dixon Hanna, Scott Hurst, Lonnie Johnson, Ramanathan Kasimanickam, Patricia Lavender, Patrick McCann, Mark McNamee, Pavli Mykerezi, Hardus Odendaal, Chris Pennisi, Don Rimstidt, Dwight Shelton, Linda Tegarden, Tom Tucker

ABSENT: David Ford, Mary Ann Lewis, Steve McMullin

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 AUGUST 28, 2008 MINUTES

Dr. McNamee announced that the minutes of the August 28, 2008 meeting were electronically approved and sent to University Council to be posted on the web.

3. DISCUSSION OF BUDGET REDUCTION CONTINGENCY PLAN PROCESS

Mr. Shelton provided Council members with an update on the current status of the state budget forecasts. The state does not yet know what the amount of budget reductions assigned to state agencies will be. The Governor has met with both economic advisors and business leaders and is at this time predicting a revenue shortfall between \$2 and \$2.8 billion. The state requested plans from agencies to address a 5%, 10% and 15% budget reduction, which Virginia Tech submitted on September 26, 2008. Mr. Shelton provided a handout (attached) showing what Virginia Tech's General Fund reduction targets would be at 5, 10 and 15 percent.

In discussing Virginia Tech's reduction targets, Mr. Shelton and Dr. McNamee clarified that General Fund monies is only one of several revenue sources for the university, and that budget cuts to units will be less than the amount the state calls for because the monies other than General Funds will not be subject to reductions. For example, if the state calls for a 5% budget reduction, the actual reductions that will go to units will be less, approximately 3%. The university will look at central funding to try to reduce the impact of budget reductions to units and will spread the reductions across the entire university. Auxiliary units, including Athletics, will also assist in addressing the budget reductions. Virginia Tech is requesting maximum flexibility from the state to address the reductions.

Mr. Shelton indicated that he anticipates the state will know the amount of budget shortfall by mid-October. Once the university knows the amount of General Fund reductions it needs to address, Dr. McNamee said the university will schedule Town Hall meetings to share the information with the university community and invite input on strategies to address the issue. Additionally, the university's senior level administration will have meetings to discuss options and develop proposals.

The Council's next scheduled meeting is November 6, 2008. Should the state release the general fund reduction targets by mid-October, a special meeting of the Council may be called to share the information with Council members sooner.

There being no further business, the meeting adjourned at 4:15 p.m.

Virginia Tech
September 2008 General Fund Reduction Targets 5, 10, and 15%
As of September 4, 2008

	General Fund			Computation of GF Reduction	
	Total	(less) Mandatory	Discretionary	%	\$
Agency 208					
E&G	178,486,475	(5,401,706)	173,084,769	-5.0%	(8,654,238)
CRI & PE	3,121,875	-	3,121,875	-5.0%	(156,094)
UMA	1,569,824	-	1,569,824	-5.0%	(78,491)
SFA	17,150,905	(17,150,905)	-		-
	<u>200,329,079</u>	<u>(22,552,611)</u>	<u>177,776,468</u>	<u>-5.0%</u>	<u>(8,888,823)</u>
Agency 229					
E&G	67,004,888	(20,845,000)	46,159,888	-5.0%	(2,307,994)
Total Operating	<u>267,333,967</u>	<u>(43,397,611)</u>	<u>223,936,356</u>		<u>(11,196,818)</u>

	General Fund			Computation of GF Reduction	
	Total	(less) Mandatory	Discretionary	%	\$
Agency 208					
E&G	178,486,475	(5,401,706)	173,084,769	-10.0%	(17,308,477)
CRI & PE	3,121,875	-	3,121,875	-10.0%	(312,188)
UMA	1,569,824	-	1,569,824	-10.0%	(156,982)
SFA	17,150,905	(17,150,905)	-		-
	<u>200,329,079</u>	<u>(22,552,611)</u>	<u>177,776,468</u>	<u>-10.0%</u>	<u>(17,777,647)</u>
Agency 229					
E&G	67,004,888	(20,845,000)	46,159,888	-10.0%	(4,615,989)
Total Operating	<u>267,333,967</u>	<u>(43,397,611)</u>	<u>223,936,356</u>		<u>(22,393,636)</u>

	General Fund			Computation of GF Reduction	
	Total	(less) Mandatory	Discretionary	%	\$
Agency 208					
E&G	178,486,475	(5,401,706)	173,084,769	-15.0%	(25,962,715)
CRI & PE	3,121,875	-	3,121,875	-15.0%	(468,281)
UMA	1,569,824	-	1,569,824	-15.0%	(235,474)
SFA	17,150,905	(17,150,905)	-		-
	<u>200,329,079</u>	<u>(22,552,611)</u>	<u>177,776,468</u>	<u>-15.0%</u>	<u>(26,666,470)</u>
Agency 229					
E&G	67,004,888	(20,845,000)	46,159,888	-15.0%	(6,923,983)
Total Operating	<u>267,333,967</u>	<u>(43,397,611)</u>	<u>223,936,356</u>		<u>(33,590,453)</u>