

MINUTES

UNIVERSITY ADVISORY COUNCIL ON STRATEGIC BUDGETING AND PLANNING

August 28, 2008

PRESENT: Donna Dunay, David Ford, Kyrille Goldbeck, Scott Hurst, Lonnie Johnson, Ramanathan Kasimanickam, Patricia Lavender, Mary Ann Lewis, Patrick McCann, Dwight Shelton, Linda Tegarden, Tom Tucker

ABSENT: Muhammad Hajj, Dixon Hanna, Steve McMullin, Mark McNamee, Hardus Odendaal

1. CALL TO ORDER AND WELCOME TO NEW MEMBERS

Mr. Dwight Shelton, Vice President for Finance and Chief Financial Officer, called the meeting to order at 3:00 p.m. and welcomed new members to the 08-09 Council.

2. APPROVAL OF THE MARCH 27, 2008 MINUTES

Mr. Shelton announced that the minutes of the March 27, 2008 meeting were electronically approved and sent to University Council to be posted on the web.

3. STATE REVENUE UPDATE

Mr. Shelton provided Council members with a handout showing preliminary budget forecasts as of August 18, 2008. A more accurate revenue forecast will be available by the end of September, and by mid-October the state may be able to determine actions that will need to be taken to address budget shortfalls. Mr. Shelton provided data regarding the two and four year projections of revenue shortfalls. The revenue shortfall for 2008-10 is projected to be \$1.052 billion. The estimated total general fund shortfall for the four year period 2006-2010 is anticipated to be \$2.226 billion. In August 2008, the state indicated that further revenue shortfalls are likely. The Governor made a presentation to the money committees of the General Assembly and indicated that further budget reductions would likely occur in fall 2008. In anticipation of those state actions, contingency planning activities will be getting underway across university units to address any potential the budget reductions to Virginia Tech.

4. REVIEW OF 2009-10 BUDGET INITIATIVES

Mr. Shelton provided Council members with a handout listing Virginia Tech's potential operating and capital budget initiatives that may be submitted in the Fall 2008 to the State for the 2009-10 second year of the biennial budget if approved by the state for submission. Mr. Shelton briefly described each of the items on the attached list to the council.

5. UPDATE ON HIGHER EDUCATION RESTRUCTURING

Mr. Shelton provided Council members with an update on higher education restructuring. Virginia Tech is beginning its third year as a restructured university and the program is going well. The university will begin the process this year to renegotiate an agreement with the state to operate for five more years as a restructured institution.

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

OPERATING AMENDMENT REQUESTS FOR 2009-10 EXECUTIVE BUDGET
Virginia Tech
August 2008

(Amounts In Millions of Dollars)

<u>Agency 208, University Division</u>	<u>University Appropriation Request (a) 2009-10</u>
Energy Costs	\$5.24
Base Budget Adequacy	5.15
Enrollment Growth	6.90
Commonwealth Research Initiative	4.70
Center for Creative Technologies in the Arts	0.69
Unique Military Activities	0.26
Operation and Maintenance of New Facilities	<u>0.60</u>
Subtotal (Agency 208)	<u>\$23.54</u>
<u>Agency 229, Cooperative Extension and Agricultural Experiment Station</u>	
Food, Fiber, Fuel, and Health Initiative and ARECs Operating Costs Initiative	3.00
Subtotal (Agency 229)	<u>\$3.00</u>
TOTAL OPERATING AMENDMENT REQUESTS	<u><u>\$26.54</u></u>

Notes:

(a) All amounts represent General Fund requests.

CAPITAL AMENDMENT REQUESTS FOR 2009-10 EXECUTIVE BUDGET
Virginia Tech
August 2008

(Amounts in Millions of Dollars)

<u>Capital Project Issues</u>	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>Total</u>
Full funding of Davidson Hall Project	\$31.40	\$0.00	\$31.40
Renovate Shultz Hall	26.00	0.00	26.00
Plan Engineering Signature Building	3.10	2.40	5.50
Supplement Ambler Johnston Renovation	0.00	10.00	10.00
TOTAL CAPITAL AMENDMENTS	<u><u>\$60.50</u></u>	<u><u>\$12.40</u></u>	<u><u>\$72.90</u></u>