

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
April 27, 2017

PRESENT: Susan Bradley (substitute for Steve Kleiber), Tim Hodge, Ken Smith, John Tedesco, Linbing Wang.

ABSENT: Carolyn Copenheaver, Mateo Carrasco, Henri de Hahn, Omchand Mahdu, Susan Marmagas, Herve Marand, Quinton Nottingham, Andi Ogier, Alex Parrish, Randy Penson, Thanassis Rikakis, Hans Robinson, Dwight Shelton, Jason Soileau, Benjamin Tracy.

1. CALL TO ORDER

Mr. Tim Hodge, Assistant Vice President for Budget and Financial Planning, called the meeting to order at 4:03 p.m.

2. APPROVAL OF THE MARCH 23, 2017 MINUTES

Mr. Hodge stated that the March 23, 2017 minutes have been approved and forwarded to the University Council for posting on the web.

3. UPDATE ON UNIVERSITY BUDGET DEVELOPMENT

Mr. Hodge updated the council on the current budget development, focusing on the University Division (208) E&G \$683.5 million budget. Mr. Hodge reminded the Council that 70% of the E&G budget is generated by Tuition & Fee (T&F) dollars, and informed them of several factors that are considered in the budget and T&F development, such as level of state support, known cost drivers, University budget priorities, market considerations and State guidance. The University prepared several T&F scenarios and the T&F proposal taken to the March BOV meeting included a 3.7% increase for in-state undergraduates and a 3.5% increase for out-of-state undergraduates. Ultimately, the BOV voted on an increase of 2.9% for in-state undergraduate's, which resulted in \$1.9M less funding. Mr. Hodge reminded the Council of the general fund shortfall of \$8.6 million assigned by the state, causing a campus-wide reduction exercise in the form of a 1% reduction target for E&G funds (Library and Police were exempt). As the University continues to develop the 2017-18 budget, the initial revenue budget required a downward adjustment of \$1.9M in expenditures due to the final 2.9% tuition rate decision. Current recommendations to address this adjustment are to slightly reduce the National Distinction Pool from 1.0% to 0.75% and delay \$1.1M of the \$4.4M Destination Area investment to a subsequent time period. The remainder budget/investment plan remains intact, which includes a compensation plan for faculty & staff, significant support for new academic initiatives, \$7.7M for enrollment growth, \$3.3M for destination areas, and \$3.7M of new investments into institutional student financial aid. Mr. Hodge concluded his presentation reminding the Council of future opportunities and strategies of the University through enrollment growth, exploring differential tuition, full PIBB implementation by 2018-19, philanthropy and partnerships.

4. The meeting adjourned at 4:57 p.m.