

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
October 27, 2016

PRESENT: Tim Hodge, Dee Perkins (substitute for Steve Kleiber), Omchand Mahdu, Herve Marand, Andi Ogier, Alex Parrish, Randy Penson, Thanassis Rikakis, Ken Smith, Jason Soileau, John Tedesco, Benjamin Tracy, and Linbing Wang

ABSENT: Mateo Carrasco, Carolyn Copenheaver, Henri de Hahn, Quinton Nottingham, Susan Marmagas, Hans Robinson, and Dwight Shelton.

1. CALL TO ORDER

Mr. Tim Hodge, Assistant Vice President for Budget and Financial Planning, called the meeting to order.

2. APPROVAL OF THE SEPTEMBER 22, 2016 MINUTES

Mr. Hodge stated that the September 22, 2016 minutes were distributed electronically, having received no comments, the minutes are approved and have been forwarded to the University Council for posting on the web.

3. UPDATE ON STATE BUDGET

Mr. Hodge gave the council an update on the State budget. The council was reminded that the State ended the 2015-16 fiscal year with a revenue shortfall and was forecasting slower growth moving forward in 2016-17 and 2017-18. They were also reminded that the state supports 24% of the 208 E&G budget in contrast with 81% of the 229 E&G budget. Overall, the state supports 18% of the university's \$1.5B annual budget. Mr. Hodge reviewed how the state is likely to compute reductions and how that could translate to the university budget. While the state exempted Higher Education from the across-the-board 5% reductions in 2016-17, E&G interest earnings were temporarily suspended and higher education was assessed for VRS rates savings from a state prepayment into the retirement system. This is a \$5.1M impact which the university will work to manage across the university without impacting programs. State actions for 2017-18 are not yet known. Mr. Hodge reviewed 2017-18 scenarios, general strategies, and the budget planning timeline for fiscal year 2017-18. A copy of Mr. Hodge's presentation is attached to these minutes.

4. UPDATE ON PIBB MODEL

Mr. Ken Smith, Vice Provost for Resource Management and Institutional Effectiveness, presented an overview of the budgeting approach planned for college educational and general budgets. Mr. Smith reviewed the University's changing environment and expectation, the need for change, how this Partnership Incentive Based Budget (PIBB) is not RCM, benefits of changing, the proposed metrics to be developed between the College and Provost, and the Deans ability to allocate resources within a college. Mr. Smith reminded the council that as detailed components of the model are developed; additional updates will be provided. A copy of Mr. Smith's presentation is attached to these minutes.

5. No further business was discussed, and the meeting adjourned at 5:03 p.m.