

Planning and Budgeting Committee (PBC)

April 27, 2017

Minutes

PBC Member Present

Jean Carr, Patricia Cuchens, Glen Houston, Karen LaRey, Tim Michael, Rick Short, Rhonda Thompson, Jeff Whitworth, Paul Withey

Alternates Present

Jamie Hester, Kathryn Matthew, Judy Chapmon, Chloris Yue

PBC Members Absent

Darlene Biggers, Steve Boardman, Sandra Browning, Michelle Peters, Cengiz Sisman, Karen Wielhorski, Kat Zellner

Guest

Lisa Gosset

Action Items

The chair asked if there were any changes or corrections to the March 30, 2017 minutes. With no changes or corrections noted, a motion was made and seconded to accept the minutes as presented.

Information/Discussion Items

Dr. Tim Michael said this meeting was to update the committee on the FY18 budget reductions for the three main components: President, Provost and Vice President for Administration.

FY18 Budget Reductions for the President and University Advancement

AVP Rhonda Thompson presented the FY18 budget reductions for the Office of the President and University Advancement. (*See attached*). She said the Office of the President had a reduction of \$63,715 and they are cutting this from a fund called Operational Reserve (which is base funded at \$75,000). This fund is used for special projects and when there is a request for seed funding.

Ms. Thompson said in University Advancement they had to cut \$122,866. They took funds from an Alumni and Community Relations M & O account and combined the expenses with their University Advancement M & O. They took \$25,000 from University Communications M & O Publications. She said they did not cut 7.27% from University Communications because they are in a time of expansion and provide service across the board to the university. They started a special initiative for the university and have added staff over the last year. Initially there were some special initiative funds from the university, but due to the budget crisis those funds are no longer available. In order to

move forward they took \$3,000 from Graduation Expenses and \$22,798 from the University Advancement M & O account. To continue their operations they will be using the assessment fee from their endowments (1.5%). They typically generate \$225,000 a year and received \$75,000 of that back (these funds are unrestricted). Ms. Thompson said the Bayou Theater is another area that is new to them. They determined it was an underutilized asset for the university and moved it from Student Life. They hired a managing director and that position is 50/50 funded with base funding and auxiliary funds. She said this is a huge opportunity to increase revenue for the university, alumni and community engagement. They did not cut any budget from this because it is a special initiative and in startup mode.

FY18 Budget Reductions for Administration and Finance

Interim VP Jean Carr presented the budget reductions for Administration and Finance. (See *attached*). She said the total cuts for Administration and Finance were \$665,041. She asked the committee to take into consideration that as we move forward into FY18 that we may experience delays in response in all areas of the university where services are provided. Ms. Carr said most of the areas were able to do their 7.27% cut and a couple were able to do a little more. For example, the VP office was not able to cut 7.27% so the Budget Office and Finance gave up some of their funds to cover this.

FY18 Budget Reductions for the Provost Office

Dr. Houston presented the budget reductions for the Provost office. (See *attached*) He said the College of Business cut two positions, moved two to Differential Designated Tuition (DDT) and cut almost \$95,000 for their IA's/TA's. Human Science and Humanities had several vacant positions, but filled the strategic positions that will be starting this fall. Dr. Michael asked for clarification regarding the "Change fund source" column. Dr. Houston said the positions that were funded on the ledger 1 or 2064 funds are now funded on DDT. Ms. Carr noted that when you move things to another source other than state or 2064 that fund also has to cover the benefits. Dr. Houston said in the College of Science and Engineering they had four vacant positions, a resignation and one .5 FTE. The College of Education has some strategic selection programs and made some new faculty hires, but ended up losing 6 positions.

Dr. Houston said under Information Resources within EIH, Library and UCT they lost 6 positions (2 in each unit). The Library and UCT have the Information Resource Fee (IRF) and were able to move some of their cut from the ledger 1 to the IRF fee. UCT cut some student workers and M & O. The Provost office cut 3 positions. Student Services moved \$28,000 to their Student Service Fee Account and cut M & O. He said Enrollment Management cut 8.5 positions and some of those were recruiters. In Academic Affairs they had one vacant position to cut and M & O. These are all base funded positions and a permanent cut, meaning that any reinstatement of these lost positions will be required to go through the university's annual priority process in the future.

Dr. Houston said after working with Dr. Staples, Ms. Carr and the Deans, they came up with a proposal for the four schools. He has asked the deans to tell him what they expect to generate over and above their budget for fall of 2017. How much it will cost, how many

sections it covers and is it graduate or undergraduate, and they will work to fund it. They are able to take funds from other sources to help cover this. He has received a proposal from the College of Education and the College of Science and Engineering. He said he does not expect a proposal from the College of Business because they do not have a lot of adjuncts, however, he expects a proposal from Human Science and Humanities. This is for fall 2017 only. Dr. Houston said they have added more money into marketing at the program level. Part of this is the Google Click Campaign that started in March. He said they have just found out that this year we will have 35% of our international students graduate. Typically we have 20% and that is 124 more than was expected that we thought would be going this summer and next fall. There was no way of predicting this.

Ms. Carr told the committee that the FY18 budget will be funded with a 50% coverage from base funds and a 50% coverage from one time funds. She said we pulled in vacant positions and reserves and we are still short \$2 million dollars that we will have to use university reserves to cover. Any growth over and above the budget, like they are proposing with the College of Education and the College of Science and Engineering will be one time money that will be available for FY19. Ms. Carr said moving forward our procedures are going to change. We are very frugal with our reserves and we pull in money at the end of the year from 2064 funds and from state funds (when we have enrollment growth). We pulled in lapsed salaries and reserves from 2064 this year for FY17 and that will be the process going forward. She said in the past, departments were able to keep a portion of their 2064 balances that were not spent, but they will no longer be able to do this. Those funds will go to the university to help with these reductions as we move into FY19 and FY20. We are still facing problems for FY19 and FY20 and if those are not covered with base dollars we will have to use the one time money. Ms. Carr said going forward into FY18 if a position becomes available we will pull the money in and give it to the department when the position is filled. They will only get the portion they need for the rest of the year. This is only for state and 2064 funds and we will no longer be able to use those lapsed salaries for M & O needs.

FY18 Optional Fees Update

Ms. Carr said she mentioned at the last meeting that the meal plan, PsyD and TEA fees would go to the May board meeting. She said the meal plans and declining balance card are the only things that will go forward. The TEA fee will not go to the board for approval. The College of Education will go ahead and charge the student and then it will be a pass through that goes straight to the Texas Education Agency. Because it is a pass through it does not need board approval. The PsyD fee has been pulled for now.

With no further business to discuss, this meeting was adjourned.