

Minutes for University Budget Committee Meeting
Provost's Conference Room
March 11, 2013 – 10:30 am

Attending:

Karen Karmioli, Convener

Ed Gibson, Secretary

Jacob Goldberg

James Hale

Mary Maher, Assistant VP for Human Resources (ex officio)

Harry Schuckel, Senior VP for Administration and Finance (ex officio)

Jamaal Vetose

J. C. Weiss

Joe Wood, Provost & Senior VP for Academic Affairs (ex officio)

Barbara Aughenbaugh, Associate VP for Administration and Finance

I. Minutes of the February 18 meeting already had been approved (electronically) and posted on the Governance Steering Council (GSC) website.

II. Committee Organization revised:

- The chair recommended that the chair's title be changed to "convener," explaining that a chair's role usually was construed as an executive responsibility, which did not fit the committee's advisory function. The motion was made and seconded to change the chair's title to convener. The motion passed unanimously.
- The secretary distributed to the committee a written recommendation (attached) to formalize the process for review and approval of minutes. The motion was made and seconded to adopt the recommended process. The motion passed unanimously.

III. Updates on shared governance provided:

- Staff Senate member(s) provided an update on the Staff Senate. Organizational activities of the Senate continue with the formalization of committee selection and other bylaws. Another item for the afternoon's (March 11) meeting would be the discussion of the priorities contained in the "Developing Institutional Priorities" list provided by the SVP A&F in February. Members of the Staff Senate have been asked to consult with their constituencies concerning the priorities in their offices and units.
- Faculty Senate member(s) provided an update on the University Faculty Senate. The upcoming meeting would consider the *Academic Goals and Priorities* document. This document had been circulated previously as the *Academic Plan*, but was revised and republished as a goal-oriented document, which will feed into the University's strategic planning. A theme of the previous discussion of this document has been the need for resources, which must dovetail into the priorities set out as strategic goals.
- Student Government Association member(s) indicated they had discussed the list from the "Developing Institutional Priorities" email. There was a question of how the

list related to the students' key concern of always improving UB's academic capacity. The SGA representatives also alerted the committee that new student government representatives will be elected in April. The current representatives were encouraged to accompany the new SGA members to the meeting of April 22 or May 6.

IV. Future meetings scheduled:

- The meeting schedule for the next two months consists of two April meetings, April 1 and April 22, and two May meetings, May 6 and May 20.
- Committee members agreed to keep the May 20 meeting on their schedules, but to remain flexible for the eventuality that the meeting may not be required.

V. Information posted on budget-related websites addressed:

- The posting of the 2014 budget call timeline was confirmed: located on the UB website under the Office of University Budget. Select FY 2014 Budget Development.
- The availability of prior-year supplements was also confirmed: located on the UB portal on the MyUB Home page – Budget section. Select 'Read more' for the details.
- Note that the various documents and reports are contained on a number of websites, not all of which are linked to the main budget portal.
- A question was raised about the availability of comparisons of full-year budgeted versus actual spending for FY2011 and FY2012. The response was that only quarterly comparisons of budgeted versus actual spending were available for the current year.

VI. List of priorities entitled "Developing Institutional Priorities" discussed:

- Clarification was sought as to the origin of the priorities and the designation of some of the items as commitments.
- The SVP A&F indicated that the list reflected items that had been raised in meetings or in conversations and welcomed other priorities—anticipating that additional priorities would be forthcoming from discussions within the colleges and other groups. He clarified that the italicized items were the only firm commitments, coming from either State or University System of Maryland (USM) guidance. He also indicated that the portion of the list headed "Emerging Priorities" was more likely to be considered in future years, but that the prioritization was a matter for discussion. His standing advice to his divisional reports is that budget requests denied for a given year should be revisited in subsequent years, since an item that had a sufficient reason to be requested originally probably represented a continuing requirement that merited consideration, notwithstanding the inability to fund it in a prior year.
- The committee discussed the importance of distinguishing between firmly committed priorities and discretionary items in discussions with their constituencies. Because the discretionary items (including non-italicized items on the "Developing Institutional Priorities" list and other items added through the deliberative process) were more likely to be influenced by the deliberations, these should be the focus of the SGA's, the senates', and the committee's discussions.

- The SVP A&F provided the following clarifications for the items on the “Developing Institutional Priorities” list:
 - Regarding the salary items, the University is committed to the additional merit salary increment of 1 percent. This is in addition to the State-funded merit salary program of 2.5 percent. The total of 3.5 percent for merit salary increases, scheduled for April 2014, is an average figure, with individual actions ranging from no merit salary increase to approximately eight percent at the top of the range. The SVP A&F could also confirm the State’s intent to fund a 3 percent cost-of-living adjustment (COLA) in January 2014, in addition to annualizing the 2 percent COLA increase from January 2013. The salary actions are only funded for regular/permanent employees, so the salary increases and additional fringe benefits for contingent employees are borne by UB.
 - The SVP A&F confirmed that the salary actions come with limited State funding to cover fringe benefits. Both upcoming State-funded actions (the 3 percent COLA and 2.5 percent merit program) include amounts for FICA and retirement, which are the salary-driven portions of the fringe benefits. UB would be responsible for any difference between the amount covering additional FICA and retirement and the amount of full fringe costs, as well as all of the added cost of fringe benefits for the proposed 1 percent merit program. (For FY2014, the composite fringe rates are: 28 percent for faculty and librarians, 31 percent for exempt, 49 percent for non-exempt, and 8 percent for contingent II.)
 - The SVP A&F confirmed the mandatory nature of the remaining italicized items on the list: *USM mandated increases for mandatory expenditures, including utilities, debt service, maintenance, and fringe benefits; operating costs for the new Law School building; and the USM mandated fund balance goal.* The Associate VP A&F confirmed that operating costs for new buildings had been funded by the State until two years ago. It is likely that some funding will be provided, with the understanding that the gap will probably be made up in the following year. Whatever operating funds are not provided by the State must be compensated for using other funding sources. The importance of the fund balance was underscored, due not only to USM requirements, but also to the State’s goal of maintaining an “AAA” credit rating, for which the finances of affiliated agencies are also considered.
 - Other items under the heading “Next Fiscal Year” were also confirmed as important priorities. The new faculty positions coincide with the President’s commitment to add full-time faculty. The increased staffing for the University Police is a necessity to meet accreditation requirements. Increased funding for undergraduate and graduate financial aid is a function of keeping pace with tuition increases; otherwise students will be falling behind. Increased funding for employee tuition waivers is also a function of tuition increases, since the waivers become increasingly expensive for departments as tuition rises.
 - Regarding financial aid, the committee raised the question about full use of UB Foundation aid capacity, in view of the apparent inability or unwillingness of other USM universities to fully expend available financial aid funds. The

Associate VP A&F indicated that the University spent all available financial aid funds in 2012 and was confident that virtually all funds had been spent for 2013, at this point in the fiscal year. The committee asked for an update on the actual financial aid spending for 2013. The AVP A&F confirmed via email that 99% of scholarship and student financial aid funding has been expended, and that the remaining funds are in the federal Supplemental Educational Opportunity Grant (SEOG) program. This remnant of the budget was awarded for the previous fiscal year during the summer term, when it is anticipated that the remaining funds in SEOG will be awarded for FY2013.

- The SVP A&F also confirmed the remaining items under the heading “Next Fiscal Year” as important priorities. The increased funding for technology renewal and replacement is necessary in the context of a \$1.6 million deficit in the ongoing replenishment of information technology hardware, software, and infrastructure, which the Chief Information Officer (CIO) has estimated. The SVP A&F indicated that the goal of having \$1 million available annually for technology replenishment had not been attained, reaching a level of only \$0.5 million.
 - For the advertising, marketing, and recruitment expenditures, the possibility was raised of the responsible executive(s) briefing the committee on priorities.
 - On the financial system upgrade, the current system is no longer supported. The University has been unable to take advantage of the integration of the financial, human resources, and enrollment components now offered by PeopleSoft.
 - For the funding of a 1 percent operating contingency, the SVP A&F pointed out that the President’s University Budget Task Force (PUBTF) had suggested this level of contingency funding as a minimum level. His experience has been that contingencies arise every year and that 1 percent actually represents a minimal reserve, with 2 percent being a safer figure, given that the University routinely spends \$1 million (roughly 1 percent of the budget) on previously unanticipated needs each year.
 - The committee expressed an interest in presentations by the CIO, the VP for Planning, and the Senior VP, EMSA regarding the needs for technology renewal and replacement; for advertising, marketing, and recruitment; and for financial aid. These presentations will be arranged, if possible, for the April 1 meeting.
 - Student members underscored the importance of advertising, marketing, and recruitment expenditures. The perspective of their fellow students is strongly supportive of the related goal of increasing applications and strengthening the academic profile of applicants and the resultant student body.
- From the emerging priorities list the continuing education initiative was discussed at length. The Provost indicated that many activities are underway, but that a challenge is to ensure that programs are not one-off offerings, but can be put together with other programs and integrated with what is already offered on a degree-seeking basis. Committee members emphasized that the development of the continuing education potential represented new possibilities for revenue. The Provost also suggested

sponsored research as another area where the potential exists for future revenue growth.

- An item not included on the list of priorities was discussed: funding associated with the memorandum of understanding (MOU), memorialized in Fall 2011, for funding of the Law School. The SVP A&F confirmed that the environment had changed since the understanding documented by the MOU was reached. Not only were applications to the Law School down substantially, but a broad decline of 25 to 35 percent in applications to law schools nationally had been seen. The status of the understanding documented by the MOU was unclear in light of these developments.

VII. Report of the President's University Budget Task Force (PUBTF) discussed:

- The PUBTF Report was discussed. The committee was unsure of the extent to which the University community was aware of the report's availability, although the report and the appendices were available on the budget portal. The SVP A&F believed that the University Faculty Senate President had distributed the report to the faculty.
- The issue of dated material in much of the report, from fiscal years 2010 and earlier, was raised.
- The difficulties of updating the data were discussed, with the following suggestions and associated problems:
 - o The suggestion was offered to refresh the "data feed" on which Appendices K and L were based for 2011 and 2012, so that analyses similar to those done by the PUBTF could be performed by the committee. The obstacle to providing these data was the current workload of the Office of the University Budget, which precluded diverting staff time to fulfill such a request. The workload during the summer months, when the FY2014 budget would be prepared for PeopleSoft and initial execution begun, is anticipated to be equally demanding.
 - o The alternative of refreshing only the latest data and bypassing FY2011 was suggested. The rationale underlying this suggestion was that, to be useful as a baseline against which future trends could be monitored, a single year should be sufficient. The obstacle to fulfilling a one-year request was similar to the previously stated issue: lack of available staff time.
 - o The suggestion was made of the possible improvement of data availability under the new PeopleSoft version, which might make the extraction of needed data easier. There was no expectation that the upgrade would make extraction and provision of ad hoc data easier.
- The committee emphasized the need, which had been formalized and unanimously approved as the document "Transparency in the University of Baltimore Budget Process" in Appendix C of the PUBTF report, for greater availability of data, both through official reporting and "use of an accessible data set with integrity" (PUBTF Report, Appendix C, p. 3). The SVP A&F responded that the questions which were the subject of the analysis in Appendices K and L of the PUBTF Report could be answered without going through the process of computing and analyzing separate reports. He requested the committee submit questions, for example, on the topics of instructional resources or student aid, as two areas where the PUBTF had focused,

- which the Office of the University Budget and affiliated divisions within the administrative and finance area could answer using a series of reports, and which ultimately could be produced automatically and would not require repeated effort.
- The committee agreed to collect questions that might be the basis of providing acceptable transparency, deferring the issue of data availability for future meetings.
 - The Provost suggested the “Fiscal Sustainability Principles for the UB Budget” document (Appendix F of the PUBTF Report) as an exemplar of a forward-looking approach that could lead beyond some of the issues that occupied much of the PUBTF’s efforts. Members of the committee agreed that the incrementalism that surrounded the budget process generally could benefit from a far-sighted perspective focused on sustainability issues. The SVP A&F indicated that once long-term goals were established, then a handful of benchmarks could be set and progress toward achieving the goals measured and assessed.
 - On the topic of resources devoted to instruction, the SVP A&F distributed a report from the Office of Institutional Research, which updated the instructional resources, both full-time and adjunct, as well as the student-faculty ratio to reflect recent faculty additions. Committee members noted the discrepancies between the levels and ratios reported by the Office of Institutional Research and those in the Governor’s Budget Book. The SVP A&F reiterated (from the previous meeting) the difficulty and limited return from attempting to reconcile internally reported counts with externally derived counts based on USM and State rules.

VIII. Joint meeting with the Governance Steering Council on April 10 discussed:

- The SVP A&F confirmed that the GSC session devoted to budget issues, to which the committee had been invited, was on April 10 at 12:30. Beyond the date, he did not have any more details, since meeting topics were under the auspices of the GSC.
- Committee members were urged to be available to attend the April 10 meeting.

IX. Review of current year (FY2013) expenditures in light of budget priorities set:

- The committee agreed to devote a portion of one of the April or May meetings to reviewing the actual third quarter results in view of the priorities to be applied to the FY2014 budget.
- The AVP A&F indicated that the 3rd quarter would not close until April 15.
- The committee agreed that if results could not be provided sufficiently in advance of the April 22 meeting, then the review of actual expenditures versus budget priorities would be taken up for the May 6 meeting.

X. The next meeting will be held on Monday, April 1st from 10:30am – 12pm in AC 252 – Faculty Lounge.

XI. The meeting adjourned at 11:59 am.

A motion for “Procedures for review and approval of UBC meeting minutes”

- 1) *Initial minutes* will be due to the entire committee (including ex officio members) from the secretary within a week of the meeting.
- 2) *Draft minutes* will be due to the entire committee from the secretary within two business days of the distribution of the initial minutes. Draft minutes will reflect necessary changes to the initial minutes, including items missing or requiring restatement for greater accuracy or clarity, which are brought to the secretary’s attention via email by any committee member.
- 3) Changes to be proposed to the draft minutes will be "revision marked" and proposed via email using "reply all" to the entire committee, so that the suggested changes are made available to all committee members.
- 4) *Proposed final minutes* will be due to the voting members of the committee from the secretary within two business days of the distribution of the draft minutes. Proposed final minutes will reflect agreed-upon changes to the draft minutes, which are either changes suggested and not opposed or changes harmonized between multiple suggestions with the concurrence of those suggesting the changes.
- 5) After proposed final minutes are distributed by the secretary, a motion will be in order for the approval of the minutes, to be made via email by a committee member other than the secretary.
- 6) Committee members may suggest amendments by email, which should be addressed to the entire distribution of the proposed final minutes. Following the final motion for approval and second (i.e., after all proposed amendments or the original motion and second if no amendments are proposed), voting to approve the minutes is in process, and votes will be accepted via email for 48 hours. The secretary will be responsible to deliver to the chair *final minutes*, as amended, immediately upon approval for posting to the Governance Steering Council website.

Rationale for the revised procedure... to balance the requirement for careful review of the minutes with the need to expedite the current process, which potentially involves four or more versions of the minutes. The expedited process is necessary to accommodate the completion and approval of minutes prior to the subsequent meeting once multiple meetings occur per month.