

Minutes for University Budget Committee Meeting
Liberal Arts and Policy Building, Room 511
February 25, 2015 – 1:00 pm

Attending:

Ed Gibson, Chair

Patricia Bishop

John Greene

J. C. Weiss

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

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

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

Barbara Aughenbaugh, Associate VP for Administration & Finance

Karen Karmioli

Absent:

James Hale

Michael Swaby-Rowe

Discussion of new revenue initiative

- Discussed alternative sources of revenue:
 - Certificate programs
 - Summer courses
 - Winter courses.
- There is not a lot of coordination in these programs.
 - Need to become more marketable.
- Spring report was part of the committee's work plan.
- Report on revenue possibilities will be a good emphasis, avoiding duplication with other efforts.
- It's important to provide continuing education.
- What types of certificates would be provided?
- Motion was made and unanimously adopted to form sub-committee to study revenue enhancement and incorporate the information it gathers in a Spring report.

Discussion and review of Governor's Budget Package

- Members of the UBC received a copy of the Governor's Budget Package

- The information in the package shows relevant economics of tuition and is good background information.
- Using the MHEC formula, UB is 52% funded, as compared to theoretical model of state-provided funds we should be getting based on the number of students and the types and level of degrees they are pursuing.
 - The average for USM institutions is 75%.
- This is an issue that needs to be kept alive.

Budget Update

2015 Budget

- Budget to be balanced by the end of the fiscal year.
- FY2015 reductions are still pending for 2 units. Otherwise, the budget reductions are identified.
- Nobody has been laid off due to budget cuts.
- No furloughs are envisioned.
- Did not do mid-year tuition increase since President Schmoke opposed it. Even if UB had wanted to do so, it would be too hard to implement in the mid-Spring timeframe.
- Drop in Spring enrollments (the “Spring Melt”) yields 5% lower enrollments than Fall on average. This Spring may be somewhat better... hoping for less than a 5% drop.

2016 Budget

- Too early to tell how deep the budget cuts will be that are necessitated by the State budget and the enrollment trends.
- Reversal of COLA currently in the Governor’s budget (converted from a salary increase to a bonus discontinued in July) will save nearly 1% of the compensation budget in cash from FY2015 to FY2016 and reduce the base by double that.
- Doesn’t affect just higher education, but the entire State’s public employee workforce.
- UB is hit hard due to fringe benefits changes.
 - Health benefit expenses necessitated by the Affordable Care Act may be the University’s responsibility, without assistance from the State.
 - UB’s workforce is somewhat highly paid in comparison to other USM institutions, making some benefit impacts even greater.
- Enrollment projections

- Law school enrollments are expected to continue to decrease.
- Other schools to also continue a recent decrease in enrollments, but there are some bright spots.
- 5% tuition increase expected at UB.
 - Some universities have discussed 7% increase in tuition.
- Currently waiting on model.
- More details to come next meeting.
- Budget call to come.

Town Hall Discussion

- It would be a matter of timing as to when the Town Hall would be hosted
 - April at least.
- Discussion of USM's Effectiveness and Efficiency initiative, which is being re-emphasized.
 - For example, data mining initiative among several campuses.
 - Possibility of centrally shared services.
 - For example, computer services.
- The Town Hall would be as explicit as possible.
 - The System is taking a position where it understands that the Governor is well meaning, but there are a lot of problems to be solved.
- Questions could be collected prior and then addressed during the Town Hall.
- SGA to discuss the possibility of hosting the Town Hall.
- Educate the community before the budget comes.
- Message would be that the changes will be challenging.
 - Possibility of shifting of funds to restructure how money is currently being distributed.

Next meeting date and time will be determined by electronic poll.

Meeting adjourned at 2:00 p.m.