Attending:

Karen Karmiol, Chair
Ed Gibson, Secretary
Jacob Goldberg
James Hale
Judith McDonald (for Mary Maher)
Jamaal Vetose
J. C. Weiss
Harry Schuckel, Senior VP for Administration and Finance (ex officio)
Dan Gerlowski, Chair of Governance Steering Council
Joe Wood – unable to attend (out of country)

I. Chair and secretary selected:

- Karen Karmiol was chosen as chair.
- Ed Gibson was chosen as secretary.

II. Charge discussed:

- Dan Gerlowski, chair of Governance Steering Council (GSC), began the discussion of the committee's charge by referring to his letter of December 4, 2012 to the committee. The main points of the committee's charge include the following:
    o Taking a holistic view of the university budget and the budgeting process
    o Emphasizing in its review the university's central educational mission
    o Providing counsel to the Senior VP for Administration and Finance
    o Sharing its analysis and recommendations through the GSC to the relevant governance bodies.
- Dan also indicated that the GSC was interested in the committee's interpretation of its mission in either broad or specific statements and that the GSC may refer issues of concern or inquiry to the committee.
- Dan further advised the committee concerning the role and activities of its predecessor, the President's University Budget Task Force (PUBTF):
    o The PUBTF examined the functioning of the budget process, the mix of administrative and educational funding, and the transparency of the resultant budget and related financial data.
    o Its report is expected to be delivered to President Bogomolny within one week and afterward to be shared with the GSC, through which it can be expected to be released university-wide prior to the committee's next meeting.
    o Termination of the body that empanelled the PUBTF, in accordance with the changes to university governance enacted during the past year, and fulfillment of its charge leave any follow-on activities, for example delineated in PUBTF's report, to the committee' jurisdiction.

III. Meeting procedures established:

- The committee agreed to meet at intervals ranging from two weeks to one month.
- The next meetings were set for February 18 at 10:30 am and March 11 at 10:30 am.
- Meeting times will be publicized to allow for attendance by interested members of the university community.
- Karen will disseminate an agenda prior to the meeting.
- Ed will circulate draft minutes internally, which, after review and finalization, will be posted at a location on GSC's website designated for reporting the committee's work.
- The GSC has the capacity for university-wide email distribution when necessary.
- The committee adopted an operating rule that matters can only be decided by four or more voting members. If a matter has been discussed during a prior meeting, voting by email will be permitted. Voting by email will require a response within 48 hours.

IV. Expectations for and requirements of the Committee discussed:

- Harry Schuckel, Senior Vice President for Administration and Finance, described the parameters of the committee's operation from his perspective:
    - Harry emphasized that the legislative process is one of the factors creating uncertainty about the overall funding level for the budget. Even though the increase for FY14 over FY13 for University System of Maryland (USM) institutions is more than eight percent (8%) in the Governor's budget recommendation, it is not known how much will be approved by the General Assembly.
    - He stressed the university's accomplishment in weathering the last four to five years without undue impact on critical university functions, staff, or students.
    - A crucial factor influencing the available revenue for FY2014 is the internal process (usually completed in March or early April, but now earlier) of formulating enrollment projections and recommending tuition and fee levels.
    - Harry also emphasized that many of the changes that may increase available revenues for FY2014 will have designated purposes. For example, currently projected increases for the purpose of increased employee retirement funding would have to be expended in that area (employee benefits) of the budget.
    - He further emphasized that other funds may be designated for spending in accordance with State priorities, such as workforce development and STEM initiatives. These funds would also be unavailable for other purposes.
    - Harry summarized procedural changes already undertaken as a result of reviewing the budgetary processes. An important capability is the publication of information that might be needed for a trustee/advisory function, including:
        - Posting of quarterly comparisons of actual versus budgeted spending
        - Categorization of expenditures by both functional and object (e.g., salaries, fringe benefits, …) views
        - An additional view providing organizational break-outs, for example, by division
        - This information is published on the Budget Office webpage.

- o Harry emphasized that additional information required by the committee would be forthcoming as needed, for example, the summed transactions created for PUBTF, capable of being sub-totaled for additional views of the budget (e.g., by function *and* organization). He indicated that lower-level data required effort to produce and, therefore, should have a designated purpose.
  - o He concluded that the most useful guidance the committee could provide would be the strategic level requirements to drive the budgetary process. He indicated that a previous budget advisory group, headed by Catherine Albrecht, had provided this kind of information, which he had found most useful. He agreed to provide these and other artifacts of prior budget processes that constituted the strategic and functional requirements leading to priorities for budget formulation.
  - o He indicated that requests without connection to the strategic imperatives constitute "wish lists," which proliferate far beyond the availability of new funding and do not contribute to an effective process.
  - o Harry provided examples of the priorities that have informed the budget process:
    - Renewal and replacement of technological infrastructure (yet he noted that his goal of increasing funding by $200,000 per year for 5 years to achieve this goal had not resulted in any increases for the last 2 years)
    - Faculty growth
    - Digital/online education
    - Operations associated with the new building for the School of Law
    - University police and campus security
    - Capital needs that have been deferred.
- Dan Gerlowski, GSC Chair, echoed these expectations and requirements for the committee. He stressed the importance of reversing an impression that historically budgetary decisions were being made without input from all constituencies.
- A discussion ensued concerning the numerous components of the planning process, including the strategic plan, the UB21 initiative, and the academic and administrative plans. These processes are underway simultaneously, yet all influence the budgetary priorities. Influence also comes from adjunct processes, such as the UB Foundation's Fund for Excellence. The window for budgetary decision making is quite brief in view of the number of potential influences on the strategic priorities.
- The meeting adjourned at 12:20 pm.