

**Minutes for University Budget Committee Meeting**  
**Thumel Business Center, Room 141**  
**January 28, 2014 – 1:00 pm**

**Attending:**

James Hale, Chair

Ed Gibson, Secretary

J. C. Weiss

Barbara Aughenbaugh, Associate VP for Administration & Finance, for Harry Schuckel (ex officio)

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

Anita Becker

Adnan Hameed, SGA Treasurer

**Absent:**

Dominique Brown

Jill Green

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

Jamaal Vetose

**I. Minutes of the November 20 meeting already had been approved (electronically) and posted on the Governance Steering Council (GSC) website.**

**II. Updates on shared governance provided:**

- The University of Baltimore Staff Senate (UBSS) met on January 13. The main topic was the prioritization of the budget priorities list distributed last November by the UBC (through the GSC). The resulting priorities were shared with the committee in advance of the meeting. The committee agreed that there was no need to review the UBSS recommendations in the absence of comparable input from the other shared governance bodies.
- The University Faculty Senate (UFS) met on January 15. Most of discussion centered on the “DFW Report” (high numbers of “D” and “F” grades and withdrawals for some courses).
  - o Numerous issues were discussed in the UFS related to high levels of DFWs, including the possibility that lower grades reflected admissions decisions or poor attendance and the need to link the outcomes statistically to contributing factors. The committee briefly discussed the relevance of course evaluations. On the UFS, there had been concern that review of grading practices infringed on faculty prerogatives.
- The Student Government Association (SGA) did not meet over the winter break, but resumes weekly meetings on January 29.

**III. Enrollment situation discussed:**

- Committee members were informed about a marketing meeting to be held the following week: to include representatives of university leadership, colleges,

administrative offices concerned with enrollment and university relations, and others concerned with sustaining growth.

- Among the anticipated topics were Master of Business Administration (MBA) program re-launch, the recent MS degree in Nonprofit Management and Social Entrepreneurship (offered jointly by CPA and MSB), and potential initiatives to increase enrollment. It was emphasized that enrollment growth only happens through such focused efforts and would not occur in a vacuum.
  - The question of a transfer of the marketing budget for the MBA from Towson University (TU) to UB was raised. The following clarification was provided for incorporation in the minutes after the meeting by the Associate VP, A&F (Aughenbaugh to Hale, Weiss, Gibson, 2/7/14).
    - UB's agency is now handling the account after TU's agency managed it for six years. Given the declining enrollment, and with new TU leadership, last year we invited the two agencies to submit proposals specifically for the program promotion, and TU's declined to participate.
    - Each university supports the marketing budget equally, which has historically been \$130,000 per year.
    - Funds are "transferred" only in the sense that UB needs to pay the agency, as one or the other institution has an existing contract. This avoids having to set up a duplicate account for the same work.
    - This year, in support of the new curriculum and in response to MSB's analysis of competitor marketing spending, each president has committed an additional \$50,000 to promote the program, bringing the total FY14 budget to \$230,000.
    - The presidents have not yet committed to the increased level for FY15, although it is assumed that dialogue will be part of UB's upcoming supplemental budget discussion.
- The current state of enrollment was discussed and its impact on the budget. A&F representatives confirmed that the \$600,000 contingency reserve had been released to operational budgets to compensate for lower than anticipated enrollment in some areas. Other possible budget impacts would not be known until after the drop-add period is finished. Some supplemental funding is held in reserve, such as funds designated for new faculty who will begin in FY2015. Supplemental funding for technology and marketing has already been released.

#### **IV. Review of prior years' supplemental funding decisions vs. actual spending discussed:**

- The committee discussed the GSC's request for information on the prior years' supplemental funding decisions as a proportion of actual spending increases:
  - The GSC's had requested for the committee to determine "of the total (presumed increase) in total expenditures for the University in any given year, what percentage of the increase do supplemental budget items represent"

(“University Budget Committee Charges 082013” [attachment], Gerlowski to Karmioli, August 2, 2013).

- The chair distributed an analysis of supplemental decisions compared with year-over-year changes in actual spending from FY2009 to FY2013.
  - The observation was made that the proportion of supplemental funding as a percentage of spending appeared to have decreased over time.
    - One reason given for the apparent decrease is that there was not a supplemental budget process for FY2013, due to a predefined allocation of the scarce additional funding.
    - FY2014 supplemental funding decisions were not included as part of the preliminary response distributed to the committee, because actual spending changes from FY2013 to FY2014 are not known (FY2014 is in progress).
    - In fact, amounts of supplemental funding decisions approved for FY2014 totaled \$3.1 million, more than any year since FY2009, when the supplemental funding amounts totaled \$3.9 million.
    - In addition to the supplemental funding, there were mandatory allocations of additional funding directed to salary and benefit increases, maintenance of the new Law School building and other non-discretionary uses, which totaled \$2.2 million.
  - The committee discussed the limitations of reviewing summary data.
    - The committee discussed the importance of analyzing revenue as a crucial part of determining affordable levels of spending.
    - The committee discussed the upcoming state appropriation as one issue impacting revenue. A&F representatives emphasized that the University was responsible for sustaining any previous salary actions and indicated that there was discussion in the General Assembly of annualizing the January 1 COLA. There was no comparable discussion regarding possible annualization of the 2.5 percent pool for merit increases slated for April 1.
    - Another important analysis would be to review growth rates in particular spending categories. For example, it was noted that spending on student aid grew by approximately 60% during the period 2009 to 2013.
    - A&F representatives emphasized that student aid included scholarships and fellowships and that tuition increases necessitated equivalently deeper discounts.
    - The previous discussion of tuition discounts (on May 20, 2013) was referenced, in which the Provost clarified the operating environment for the FY2014 budget. Those comments stated: “UB’s level of discounts approaches 20 percent. Although discounting at local private universities may reach 40 percent, the effective limit for discounting by state universities is generally acknowledged to be in the vicinity of 30 percent.”

- The need for a more comprehensive review of the budgetary situation across the same (5- to 6-year) history was raised.
  - Such a review would examine the trending of factors, including headcount (both faculty and staff), enrollments, state funding, and other elements that contribute to the budgetary situation.
  - The benefits were discussed of such a review updating the results of the President's University Budget Task Force, while focusing on cause and effect.
  - Another benefit is that the timing of the review would coincide with the beginning of a new presidential administration, which could serve to inform high-level policies impacting the budget.
  - The needed time to accomplish such a review will require separating the review from the committee's work on the FY2015 supplemental request process.

**V. Communications with GSC planned:**

- An additional review was recommended prior to sending the committee's response to the GSC's request for information on the prior years' supplemental funding decisions as a proportion of actual spending increases.
- The committee discussed the timing of the Budget Town Hall, tentatively scheduled for May 5.
  - The discussion focused on the difficulty of generating interest among faculty so close to the end of the semester.
  - Another issue with the relatively late date for the Town Hall was the inability to influence any decision making, since the budget call submissions are due prior to May 5.
  - The chair and secretary will communicate to the GSC the committee's sense that the Budget Town Hall should be scheduled earlier than May 5 to promote better attendance by the constituencies involved and to allow time for issues raised at the Town Hall to be addressed in budget call submissions, as needed.

**VI. The next meeting date will be scheduled in February based on availability of members.**

**VII. The meeting adjourned at 2:05 pm.**