

**Minutes for University Budget Committee Meeting**  
**Liberal Arts and Policy Building, Room 405**  
**January 15, 2015 – 3:00 pm**

**Attending:**

Ed Gibson, Chair

James Hale

J. C. Weiss

Patricia Bishop

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

Barbara Aughenbaugh, Associate VP for Administration & Finance

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

**Absent:**

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

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

Anna Pirog

Michael Swaby-Rowe

**I. Minutes of the November 20 meeting were approved.**

**II. The status of the FY2015 & FY2016 budget:**

- a. The Sr. VP of Administration & Finance updated the committee on the State of Maryland's budget and its impact on the University.
- b. The USM Chancellor had a conference call with the University Presidents on Monday, January 12, to discuss the FY15 and FY16 budgets.
- c. In FY15, the USM faces a \$40 million cut to appropriation (which is 2% of the USM's budget plus \$18M); UB's proportion is \$1.2 million or 3%.
- d. The State of Maryland had previously (July 2, 2014) cut the USM by \$6.3M which resulted in a 3% or \$150k cut in appropriation to UB. This cut is not unique, as smaller adjustments are typically made throughout the fiscal year. Therefore, UB's total cut for FY15 is \$1.35 million.
- e. To address the FY15 cut, the University will be asking each division to cut their budget by 1.9%. This is a base reduction to unrestricted operating budgets (fund 4010). All efforts should be made to protect core services.
- f. The Executive Committee has met today with the Deans and VPs to communicate the FY15 cut and the possible magnitude of the FY16 reductions. The EC is considering handling the FY16 differently to ensure protection of core services.
  - o The cuts for FY16 may be differential and discriminating rather than across the board as the University may need to make distinctions between departments and sub-divisions, however nothing specific has been determined. Retaining funds for instruction and direct student services will be a top priority.
- g. USM will allow the Universities to use a modest portion of fund balance to offset the FY15 cuts, but there are two reasons why UB shouldn't do this:
  - o Use of fund balance is temporary, not permanent fix and the cuts would still need to be addressed in FY16.

- UB needs our fund balance for known projects
- There are two budget issues facing the State of Maryland (in FY15) which may require the use of our fund balance if not funded by the State: Implementation of the Affordable Care Act and increases to the Retirees Health Program.
- h. Question: Can departments use cash for FY15 (i.e. delay hiring of positions)
  - Answer: FY15 cuts may be cash, depending, of course, on the source of funds, as long as base is identified for FY16.
- i. For FY16, the problem is still unknown; the deficit is probably around \$600 million. If this is true, then the cuts to USM would be about \$60-80 million.
- j. The Universities will get to make a case for lower cuts from USM, which may work in UB's favor because UB is at the lower end of USM funding (based on the funding guidelines/formula).
- k. One way to combat cuts is to have strong enrollment.
- l. Hopefully, the new State administration can solve the deficit using a multi-year approach.
- m. The point was made that these State cuts are to discretionary spending; the total State of Maryland's budget is \$40 billion.
- n. Question: How are we driving enrollment?
  - Answer: the admissions office would be a top priority if FY16 cuts are not proportional. We may be able to offer more Financial Aid or look at using UBF funds for expenditures currently covered by State funds.
- o. The University needs to look for ways to be more efficient and effective.
  - Departments may be able to share services from within or with another department or division. (i.e. Offices share support staff and other resources based on geographic location, shared services for Finance and Human Resources, shared services for sponsored research support functions and shared services for advising and admissions).
- p. There are discussions within the state to turn the COLA increase into a cash bonus
  - It should also be noted that the FY16 state budget includes Merit and COLA increases.
- q. All but 4 University Presidents (UMCP, Towson, Frostburg and Salisbury) decided against tuition increases and every University decided against furlough cuts.
- r. Question: Has there been any discussion about how to increase revenues? (i.e. continuing education programs or offering certificates)
  - Answer: To some degree yes, but someone needs to drive this initiative. Most of the programs which have been proposed are severely discounted. The committee should recommend this action to the GSC and Senates.
  - It was determined that JC & Ed will take this action to the Business School Faculty Senate. Ed will then approach the Staff Senate and Faculty Senate.

**III. The next meeting date was not determined.**

**IV. The meeting adjourned at 4:00 pm.**