

BUDGET & PLANNING COMMITTEE

Minutes of Meeting

January 17, 2002

Present: J. Blake, P. Boppert, G. Kowalczyk, B. Mallick, J. Phillip Smith, C. Thompson and J. Thorson

Absent: P. Brucker, M. Fineman, D. Pedersen, A. Roman, R. Ruggiero, R. Sheeley, N. Via and A. Washington

1. Call to Order

The meeting was called to order at 3:00 PM.

2. Review status of FY2002 Budget

J. Blake provided a status report of the FY2002 budget at mid year.

Revenues originally were estimated at \$115,768,805 have been adjusted to \$115,325,327.

- The University has experienced three recisions this year totaling \$942,000. Two of the recisions, which total \$570,000, have been applied to FY2002. The third recision - \$372,000 – will be deferred to the second year of the biannual. This will allow the University to further reduce next year's expenditures versus funding it from reserves.
- Current revenue estimates for part time credit hours are projected to be approximately 3.6 percent below projections used in the original spending plan. Revenue estimates have been adjusted downward by \$637,000.
- The original FY2001 Spending Plan had an offset of "Prior Year Encumbrances" of \$774,000 and turnover savings of \$549,893. The offset has been eliminated from the mid year plan to better reflect the results of operations
- The University has received two supplemental appropriations. The first was for \$500,000 to partially fund the three percent change in the State's fringe benefit rate, which amounted to \$1.5 million. The second allocation of \$522,000 was to partially fund a collective bargaining settlement with a retro pay adjustment for the maintenance union, which amounted to \$1.36 million.

Expenditures were originally projected at \$114,623,416 are now estimated at \$115,755,624.

- As of October 2001 the University froze the hiring of all full time personnel (except faculty). The original spending plan provided budget for 998 full time lines. With this freeze the University has capped positions at 970. It is estimated that this hiring freeze and cap will achieve salary and fringe savings of \$1.6 million.
- The University Assistant line was reduced by 20 percent or \$360,000 to help balance the budget.
- The classified and fringe benefit lines have been adjusted to reflect the increase due to collective bargaining settlement (\$1.36 million) and the fringe rate change (\$1.5 million).
- The original FY2001 Spending Plan reduced PS expenditures with turnover savings estimated at \$549,893. At mid year that amount has been eliminated to better reflect year-end results.

- Originally it was planned to transfer \$500,000 to the Plant Fund for furniture/equipment for Residence Life. This transfer has been cancelled for this year.

J. Blake also distributed to committee members a detailed listing of the all departments that had their UA budget reduced. Overall the university's savings goal was \$360,000. The summary by division was as follows:

President	\$23,124
Institutional Advancement	19,579
Student & University Affairs	73,222
Finance & Administration	73,680
Academic Affairs	<u>173,160</u>
	\$362,765

2. New Guidelines and Calendar for FY2003 Spending Plan

The proposed FY2003 Budget calendar was distributed. J. Blake reported that it was a draft and would probably change.

A letter from J. Blake to the Vice Presidents which indicated a new budget procedure for UAs and non-teaching adjuncts for FY2003. The new procedure called for a zero based budget approach. Budget requests for UAs and non-teaching adjuncts would need to provide the following.

- Provide a description of the duties/function that the UA or non-teaching adjunct will be involved in.
- Provide a cost analysis for each UA and non-teaching lecturer with an impact statement that indicates consequences for various levels of funding. For example what would be the impact of the UA or adjunct line is not funded or funded at 50% of the request.

J. Blake indicated a new approach was being used because of significant budget over runs in FY2001 in both the UA and non-teaching accounts.

3. BOT approval of FY2003 Tuition and Fees

The FY20003 Tuition and Fees schedules were distributed.

4. Adjournment

The meeting was adjourned at 4:15 PM.

Respectfully submitted,
James E. Blake
Budget & Planning Committee