

Planning and Budget Council Budget Committee Meeting Summary  
Tuesday, February 24, 2009, 2:30 pm

Present: Borgia, Braddy, Lindsey, Miller, Prive, Rogers, Shepard, Vazquez

Absent: Faramo

Guest: Ron Toll

Provost Toll began by giving the committee its charge. He discussed the structure of the Planning and Budget Council (PBC) and its committee structure. The PBC consists of permanent members and temporary appointees. There are five committees, which have some representation drawn from the Council and some drawn from other campus constituencies. Committees receive tasks and priorities from the PBC; their role is to analyze the issues and respond to the PBC with broad recommendations for how to proceed, leaving the detail work to the PBC and/or administrative offices.

Specifically, the Budget Committee is charged with looking at immediate budget issues to make some recommendations to the PBC for how to close the anticipated budget shortfall for 2009-10. Budget cuts should not be at the expense of our mission and guiding principles, but rather priorities should be informed by them. Some major issues the committee might consider include the following:

- Position vacancies and vacancy savings
- Enrollment projections for 2009-10
- New faculty and/or staff lines
- Potential revenue from any tuition differential that passes this year
- Cost to continue increases in our operating budget
- Reductions in endowment support due to the poor economy

This list is not intended to be exhaustive—all good ideas are welcome. The budget committee is to give some feedback on the best choices to get through the current slump.

Next, Joe Shepard gave an overview of the current budget environment and key assumptions that factor into budget planning for next year. He presented a working spreadsheet showing anticipated revenue from tuition, state support, and major expenses. The university expects to raise an additional \$2M from enrollment growth next year, which is just enough to offset the cost of the new positions currently being recruited. There will be an increase in energy costs and other campus operation costs next year. The planning model anticipates a 9.5% reduction in state general revenue funding beyond the cuts we had this year. There are some auxiliary funds in reserve, but these are needed to support the university's current bond debt, and are nonrecurring funds, so using them for recurring budget shortfalls would be problematic. It is possible that the university will not be cut as much because of stimulus funding, but this is highly uncertain and we cannot plan on having those funds. Overall, Joe stated that we need to come up with ideas to save approximately \$2M in recurring costs.

For additional background information, David Vazquez stated that he will send to the committee the summary reports that he prepares for the Board of Trustees. Joe stated that he would send the spreadsheet to the committee so we could study it more thoroughly. The faculty representatives on the committee were asked to query the faculty for ideas on cost-cutting measures and to report those back to the committee.

The meeting was adjourned at 3:45 pm. Next meeting: Tuesday, March 17, 2:00 pm.