

University Budget Advisory Committee Minutes

March 22, 2016

Attendees: Mr. Bill Balint, Mr. Jim Begany, Mr. Craig Bickley, Dr. Claire Dandeneau, Mr. Bob Deemer, Dr. Michael Driscoll, Mr. Luis Gonzalez, Dr. Alex Heckert, Mr. Michael Hood, Mr. Mike Lemasters, Dr. Lara Luetkehans, Mrs. Patti McCarthy, Dr. Pablo Bueno Mendoza, Ms. Barbe Moore, Dr. R. Scott Moore, Mr. Richard Muth, Mrs. Susie Sink, Dr. Deanne Snavely, Dr. Ramesh Soni, Ms. Jackie Greene for Mr. Bill Speidel, Mrs. Cynthia Spielman, Dr. Cynthia Strittmatter, Mr. James Watta, Dr. Mary Williams, Dr. Cornelius Wooten

Guests: Mrs. Robin Gorman

Excused: Dr. Yaw Asamoah, Dr. Robert Camp, Dr. Rhonda Luckey, Dr. Randy Martin, Dr. Mark Staszkiwicz

Absent: Mr. Terry Appolonia, Mrs. Deborah Armstrong, Mr. James Birch, Dr. John Kilmarx, Mr. Vincent Lopez, Dr. Carolyn Princes, Mr. Chris Rearick, Ann Sesti, Mr. Tyron Snead

- I. Mr. Bill Balint called the University Budget Advisory Committee (UBAC) meeting to order.

Dr. Wooten welcomed members and guests to the meeting and thanked everyone for attending today's meeting.

Dr. Wooten asked if anyone had additional items for today's agenda and there were none.

- II. The University Budget Advisory Committee minutes from the February 18, 2016 meeting were approved as presented.

- III. Dr. Wooten asked Dr. Driscoll for his comments and observations.

Dr. Driscoll provided brief comments noting that the legislature passed a budget for 2015-16. The 2015-16 budget includes a five percent increase in appropriations for the State System. The Governor says he will veto the budget.

- IV. Update – UBAC subcommittee

The UBAC subcommittee continues exploring practical steps that could help the university reduce the budget deficit.

March 22, 2016

The subcommittee is expecting to receive additional information from the Associate Vice President for Academic Administration on students that received a grade of D or F, and data related to student withdrawals.

The next step the subcommittee plans to address is the summer and winter incentive models.

V. Implementation of the Per Credit Tuition Pricing Pilot

Dr. Driscoll began the discussion regarding the per credit tuition pricing pilot, noting that the Council of Trustees supported moving forward with the pilot. The Council of Trustees was not in favor of increasing the student service fee as a way to generate revenue. The university will be implementing the per credit tuition pricing pilot for fall 2016.

It is important to emphasize the equity in moving forward with the pilot. Currently, the students that take 12 credits per semester are subsidizing the students who take more than 12 credits per semester. The new per credit tuition pricing pilot will allow students more flexibility in determining their path to obtain their degree.

In order to assist the students with the transition to the per credit tuition pricing pilot, a discounted tuition rate will be offered for the first three years. The student service fee will remain level. Additional aid will be available through two new sources: a need-based scholarship and an academic success scholarship.

Dr. Driscoll noted that implementing the per credit tuition pricing pilot is the best option for the university.

At the State System level, Millersville is in its second year of their per credit tuition pricing pilot. Bloomsburg will not implement a per credit tuition pricing pilot as the university is opting to increase their student fees by \$300 per semester. Clarion is not implementing the per credit tuition pricing pilot. Shippensburg and IUP will be implementing the per credit tuition pricing pilot for fall 2016. There are concerns that the Board of Governors could reverse their decision to approve the pilots as their membership may be changing. If that was to happen, the university would have no alternative but to revisit increasing the student service fee.

Dr. Wooten noted the importance of the support from the UBAC committee in implementing the per credit tuition pricing pilot.

VI. Planning and Development Efforts– FY2016-17 Operating Budget

The university is facing budget challenges. These challenges are making it difficult to develop a balanced budget for FY2016-17. The projected shortfall for FY2016-17 is \$11.5M and could grow to \$14M if the \$2.9M used from central reserves to balance the FY2015-16 budget is not recovered.

The university needs to find ways to cover the deficit by generating revenue, containing costs, and identifying budget reductions. Dr. Driscoll noted that the university needs to reset the budgeting process moving forward. Dr. Driscoll discussed the three prongs of the budget reset.

It is anticipated that the FY2016-17 budget will be reset to the FY2014-15 actual expenditures. Prong 1 addresses the process and outcomes of establishing the FY2016-17 budget to the FY2014-15 actual expenditures.

Prong 2 will focus on reinvesting resources into strategic initiatives. The UBAC committee will work to set criteria for reinvestment. A process will be established for the UBAC committee to evaluate funding proposals received from the vice presidents through budget hearings. The UBAC committee will then make recommendations to the President, who will take them to President's Cabinet for approval.

Prong 3 – After much consideration, the university decided that rather than increasing the student service fee, the per credit tuition model is the best way to generate additional revenue. Although the university does not want to charge students more, it has become necessary to reset how the university addresses the budget.

VII. Closing Comments

Dr. Driscoll noted that the per credit tuition pricing pilot will be communicated to the university within the next week.

There is a lot of work to do with the budget reset. Dr. Driscoll is hopeful that budget hearings could begin by the end of April.

Dr. Driscoll noted that President's Cabinet discussed looking at expenses for the rest of FY2015-16. It is possible that the administration could place a "chill" on expenses for the remainder of this fiscal year. This "chill" could include items such as requiring more

review for hiring and the possibility of delaying any significant operating expenses for the remainder of this fiscal year.

Dr. Wooten noted that the committee will receive additional communication regarding re-evaluating criteria for reinvestment.

The next scheduled meeting of the UBAC committee is Wednesday, April 20, 2016 at 2:00 pm in the HUB, Monongahela Room. Dr. Wooten noted that the vice president's office will be sending dates for an additional meeting to be scheduled before the end of May.

Dr. Wooten thanked everyone for attending today's meeting.