

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
October 27, 2011

PRESENT: Steve Martin (for Greg Boardman), Amy Brunner, Martin Daniel, Mike Ellerbrock, Wendy Herdman, Tim Hodge, Hugh Latimer, Maxine Lyons, Ellie Rigby (for Andrew McCoy), Mark McNamee, Tyler Arthur (for Allante Nelson), John Phillips, Dwight Shelton,

ABSENT: Vanessa Alphonse, Erik Ervin, Elizabeth Fine, Quinton Nottingham, Ken Smith, Connie Stovall, Anne Zajac

GUEST: Bruce Pencek

1. CALL TO ORDER

Dr. Mark McNamee, Senior Vice President and Provost, called the meeting to order at 3:30 p.m.

2. APPROVAL OF THE SEPTEMBER 29, 2011 MINUTES

Dr. McNamee announced that the minutes of the September 29, 2011 meeting have been approved and sent to University Council for posting on the web.

3. DISCUSSION OF STATE BUDGET PROCESS

Mr. Shelton, Vice President for Finance and Chief Financial Officer, led a discussion on the current state budget process that the Commonwealth has put in place to evaluate the prospects for the state budget for fiscal year 2012 and the upcoming 2012-2014 biennium. The state's revenue projects for 2012 remain reasonable and the state has not provided any signals that there is concern with the 2012 budget. However, state revenue forecasts for 2012-2014 are less positive, including concern that the federal government will reduce federal expenses which could adversely impact state revenues.

Since the state will not have a revised estimate of the future economy and revenue projections until November, the state decided to implement actions that would prepare the Commonwealth for budget reductions, if necessary. Therefore, in October the administration asked state agencies to prepare budget savings plans of 2, 4 and 6 percent of their General Fund budgets; these plans were submitted to the state on October 17, 2011. Higher education was one of three areas exempted from this budget planning exercise. The state is establishing workgroups to identify targeted budget savings and reallocation strategies across these three areas. The results of the higher education workgroup may be presented to the Higher Education Advisory Committee at its November 7 meeting.

Any funding actions by state administration would likely be in the following areas: enhancement of Base Budget Adequacy funding, enrollment growth funding, incentive funding, student financial aid, and institution-specific initiatives. It is anticipated that the Governor's Executive Budget proposal being presented to the General Assembly on December 19 will reflect the Governor's proposals regarding funding for higher education as well as any proposals for agency savings or reallocations for higher education.

4. OTHER BUSINESS

A council member expressed concern over the ratio of faculty to students in some departments. Dr. McNamee confirmed that the university has requested state funding for base budget adequacy in order to increase the number of university faculty and enhance faculty start-up packages, both of which are priorities in the university's strategic plan for 2012-2018 currently being developed by the Long Range Planning Committee.

There being no further business, the meeting adjourned at 4:30 p.m.