

## **Planning and Budget Advisory Council**

**Friday, October 02, 2015**

**1:02 p.m.**

*Attending: Hynes, Troelstra, Simpson-Wilkey, McElroy, Cummings, Reddy, Ward, Ogden, Barton, Gruszka, Schultheis, Demmitt, Momayezi, SGA Treasurer, Musolf, Raridan*

### **1. PBAC-Purpose and Function**

PBAC should be the embodiment of the strategic plan and drive the budgetary resources.

It is to be an organization of transparency and accountability for the University. Dr.

Hynes encourages members to ask questions and forward questions within department to provide further clarity as to the function and purpose of the group's actions.

Corlis highlighted the fact that when considering budgets, the Budget Office consistently deals with three budgets simultaneously—the prior fiscal year, current fiscal year and upcoming fiscal year—and that conditions affecting the manner in which those funds can be expended will vary as a result of those differences.

This year's PBAC is slated to meet at least four times: December 11, January 29, March 25 and April 29 are currently scheduled—additional meetings will be scheduled as necessary.

### **2. Year-End FY15 One Time Expenditure**

Out of forty (40) requests totaling \$921,400, the budget was able to fund approximately \$400,000 worth of requests. The goal of Year-End Requests is to strategically use unused dollars in multiple budgets. The list is available at the website for the PBAC .

### **3. FY17 Budget Narrative (see FY2017 Budget Narrative handout)**

Earlier in the fiscal year the University received instructions for completing a Budget Narrative to be submitted to the Board of Regents as they prepare the System's FY2017 Budget. That document is due before the Chancellor in mid-November and will serve as the basis for the University's Budget Hearing.

#### Highlights of the Budget Narrative:

- We have been asked to prepare a budget that reflects an 8.8% (\$2.2 million) decrease in state funds based on decreased enrollments in FY 2015. Please see attached a first draft of scenarios that will meet that reduction target.
- Each department presented cuts for OS&E.
- Furlough days were placed as potential budget buffers, although currently the implementation of furlough days does not appear likely. The use of furlough days is a method of last resort, but cannot be taken completely off of the table. Dr. Hynes added, "It would be irresponsible not to consider the [potential necessity] of them-even if they are not a likely strategy for reduction."
- Grants for open source textbook strategies advanced by the USG and alternative classroom resources are likely to reduce revenues for the campus bookstore, The Loch Shop; therefore The Loch Shop has to find new strategies other than book sales to balance its budget.
- Clayton Station, a Public Private Venture (PPV), has met challenges with the stairwell and balcony issues that were discovered this summer. The third floor of some buildings is completely off-limits, which has and will continue to have a

major impact upon residential life until repaired. There is no cost figure for repairs as yet. Renovations will probably take 6-8 months. Students residing will be affected until repairs are completed.

- The Board of Regents is launching the second phase of P3 (Public Private Partnership) Initiative and campus residences, Laker Hall and Clayton Station, may be included in a portfolio of other USG student housing projects—exact effects of this are still uncertain.
- As with most universities nationwide, expenses outpaced revenues for the Athletics Department. Because the Athletics Department cannot use state funds, shortfalls may be difficult to meet in the institutional budget without some modifications in the mid-term.

#### **4. Request of FY16 One-Time Expenditures More than 25K**

For FY14 & FY15, PBAC agreed to use one-time funds to renovate the library. While budget reductions proposed for FY2017 budget will likely affect one-time dollars after July 2016, we anticipate available one-time dollars during this fiscal year (through June 30, 2016). We will therefore begin to review in December 2015 available funds and requests for uses of those funds for projects estimated to cost \$25,000 or more. A call for Request for Proposals will be sent from the Budget Office later in October.

#### **5. Capital Budget**

The Capital Budget was quickly summarized. Details of Capital Requests are found in the attachments.