

Budget and Finance

MINUTES

OCTOBER 15, 2013

2:30 – 4:00 P.M.

MEETING CALLED BY	Ali Hajjafar
TYPE OF MEETING	Regular
FACILITATOR	Ali Hajjafar
NOTE TAKER	Laura Miller-Francis
ATTENDEES	Cummins, David; Hajjafar, Ali; Kaye, Joan; Lee, Matthew; Sedlock, Steve; Kelly, Graham; Kerr, Nate; Spray, Laura; Gilliland, Amy; Haritos, George; Anderson, Turner

Agenda topics

2:30 – 2:35

APPROVAL OF MINUTES/AGENDA

ALI HAJJAFAR

DISCUSSION	Minutes were approved and agenda was accepted. Meeting adjourned at 4:00 p.m.
Next meeting is scheduled for Tuesday, October 29 th in Buchtel Hall McColleston Conference room.	

2:35 – 3:25

FY14 BUDGET UPDATE

DAVID CUMMINS

DISCUSSION	Key points in the PowerPoint presentation for the October 16 th Board of Trustees meeting were discussed.	
First round adjustments included revenue enhancements of \$4.5 million and reductions of \$25.5 million.		
The revised budget proposal reduced revenue projections by \$15 million to reflect a 6% enrollment decline. Contingency planning set an additional 8% budget reduction and expenditures were reduced \$15 million including the elimination of the enrollment reserve.		
FY14 total academic unit reductions are \$12.2 million or 8.8% which include \$9.3 in compensation and \$2.9 in operating.		
FY14 total academic support reductions are close to target (\$12.8 million or 14.1%) with \$7.7 million in compensation and \$5.1 million in operating.		
FY14 total adjustments include \$4.5 million revenue enhancements, \$25 million unit reductions, and \$12.3 million central reductions. To date, no draw on central reserves planned.		
For the third straight year, expenses have been above revenue. FY15 won't start with as high a deficit, but all is cumulative. 150 positions are coming off the books within the next two years (120 vacated and 30 eliminated). With the hiring of Royall & Company an additional 30,000 names were purchased. As a result of a larger pool and new initiatives, the number of applications submitted has nearly doubled from last year. Still waiting on the acceptance rates.		
QUESTIONS	Are there savings from the 150 positions? If so, how much? Is there a hiring freeze?	
When do enrollment projects for next fall begin? What part of the academic year did Bill Kraus give statistical data/predict incoming enrollment as he was always within ½%? Should he be replaced? Does Rex Ramsier need help?		
How do we know which new initiatives worked? Are there any metrics in place to measure the effectiveness/results?		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE

3:25 – 4:00

**EFFICIENCY AND EFFECTIVENESS
INITIATIVES**

DAVID CUMMINS

DISCUSSION	Operations Systems Review/Consolidation of Administrative Functions identified \$7 million in cuts. The group is reviewing ITS, HR, and Fiscal functions to identify areas that could be consolidated to increase efficiency if centralized. This will occur in FY15.	
	Academic Program Review set a goal of \$6 million in reductions, reviewed faculty load for fall 2013, and reduced summer faculty allocations by \$1 million.	
	Pension Reform conducted a preliminary analysis. With the reform of the retirement systems, the University is anticipating significant increases in faculty retirements.	
	Reorganization of Maintenance Functions evaluated the existing maintenance functions separate from PFOC on campus to identify possible savings from consolidation, best practices to follow, and how service levels would be impacted.	
	Differential Tuition conducted a preliminary analysis to determine criteria for identifying programs developed, process for use of funds generated and incentives to programs recommended to decide if different rates should be charged for different programs.	
	Overhead Charges Review group reviewed overhead charges for auxiliaries to reevaluate chargebacks. Recommended changes will generate \$300,000.	
	Procurement group researched ways to improve travel controls (rental cars vs. mileage vs. University owned vehicles) along with a centralized travel hub to manage expenses. The group also transitioned the University to a cost per copy program and is recommending the better use of the P-card to make processing easier and gain more rebates.	
	Scholarship Administration is implementing recommendations from Scannel & Kurz with the goal of increasing yield on scholarship funds rather than reduction in scholarships. The tuition remission program is also being reviewed.	
QUESTIONS	Where does the UA endowment come into play?	
Do we become private vs. public?		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Bring updated FY15 timeline to next meeting.	David Cummins	