

Budget & Finance Committee

MINUTES

DATE: APRIL 20, 2018

TIME: 3:00

LOCATION: LH 414

MEETING CALLED BY	Shiva Sastry, Chair
TYPE OF MEETING	Regular Meeting
PRESIDER	Shiva Sastry, Chair
NOTE TAKER	Linda Smith
ATTENDEES	<p>Members: Phil Allen, Mike Cheung, Nathan Mortimer, Ruth Nine-Duff, Shiva Sastry, Zak Steiner</p> <p>Absent with Notice: Andrew Adolph, Jessica DeFago, John Green</p> <p>Absent without Notice: Greg Lewis, Taylor Bennington</p> <p>Other Attendees: Harvey Sterns</p>
CALL TO ORDER SASTRY	
DISCUSSION	<ol style="list-style-type: none"> 1. Sastry called the meeting to order at 3:05 pm. He asked for modifications to the Agenda. There being none, the agenda was approved as distributed. 2. The Minutes from March 2nd & 16th were approved. The minutes will be posted to the UC SharePoint site.
AGENDA TOPICS	
DISCUSSION	<p>Green was not present for a Dean update. Cheung reported that the Chairs' last meeting was focused on the establishment of interim leadership. Chairs are also concerned about compensation and lack of an increase in several years. Their next meeting with Ramsier will focus on the implications of APR.</p> <p>Sastry welcomed Mortimer back to the Committee. The Chair gave remarks to the Committee (attached).</p> <p>Mortimer indicated that he was pleased to return to the Committee and confirmed that he will lead FY19's budget development. Since it had been some time since Mortimer attended UC Budget & Finance, he provided updates on such topics as June 30, 2017 KPMG/SB6 results, FY18 General Fund, VRIP, and Tuition Guarantee.</p> <p>Mortimer asserted the 3rd quarter just recently closed and final annual forecast is underway but that he anticipates that he will find that '18 results will be much better than budgeted due in large measure to the continued spending and staff table control. The Committee was pleased with the performance, but some expressed a level of consternation with the good performance. Mortimer will update once year-end projection is completed.</p> <p>Mortimer also shared his intent to investigate and pursue a debt deferral opportunity while also capturing the term loan that administratively resides at the Foundation for which the University is responsible should the economics make sense. Those in attendance voted to endorse (Mortimer abstained), in principle, pursuing debt deferral should it make economic sense. Mortimer to present additional information and numbers to the Committee at a later date.</p>

	Mortimer suggested returning the Committee meetings to Wednesdays and the attendees agreed.	
NEW BUSINESS		
	Next meeting is set for May 2, 2018 @ 2:30 in SU 318.	
	The meeting was adjourned at 4:30 p.m. by unanimous consent.	

Chair Remarks B&F – 4/20/2018

1. Congratulations to Dean John Green on being named Interim President. Thank you for stepping up to help stabilize the institution and make a difference in our future. This committee stands ready to help as necessary.
2. We are pleased to note the emphasis on Academic Program Review and the quality of Academic Programming in the statements by the BOT and John.
3. We welcome Nathan Mortimer back as a full participant in this committee. The potential FY 19 budget has created a lot of concern around campus and we must work in a speedy manner to let our colleagues know that the budget is under control.
4. We all realize that we will face an enrollment challenge in Fall 18. We need to share this information with our colleagues and engage them in contributing to, and owning responsibility for, a plan to cope with the challenges that face us.
5. Since we are embarking on a national search for a president, my hope and wish is that this committee would step up and accomplish a few important tasks:
 - a. Help and support UA leadership to make some of the difficult decisions that must be made to stabilize institutional finances, operations and planning.
 - b. Firmly establish the Integrated Planning and Budget process as the norm for UA in FY 19 and beyond.
 - c. Engage our faculty experts and a campus-wide team of student participants to design and validate models that can help in strategic planning. These models should provide reliable estimates for questions such as – How much scholarship should we offer a student? What is the financial benefit on a specific startup investment? What is the financial benefit of investing in a recruiting campaign? We have a significant level of expertise to design such models on our campus and this committee can convene a talented group to design these models. The rigorous academic nature of this work will better engage our student participants in the activities of this committee.
6. A group of faculty (John Zipp, Pamela Schulze, Linda Saliga, Peter Niewiarowski, Dan Coffey, Phil Allen and myself) met with Larry Williams to discuss ways in which the Athletics budget could rely less on the General Fund. Unlike the GA changes, there has been no directive to Larry either from the BOT or from the President to achieve a specific target reduction; if such a target has been established, this committee has not been made aware of the target and the timeline for achieving the change. For this reason, it makes sense to bring the resolution of this committee that has already been presented to UC for initial reading to vote. A target of \$8 Million reduction in burden on the General Fund is reasonable in the present fiscal situation of UA. Like the GA change model, Larry should have the opportunity to lead a team to identify what can be achieved, and how, within a two-year period. This committee stands ready to convene such a team and offer a specific plan to achieve a targeted reduction of \$8 Million from the General Fund, if Larry requests us to do so.
7. I am disappointed with the level of participation by student members on this team. Perhaps a more direct focus on developing models and engaging in campus-wide leadership events would encourage more active and sustained participation from ALL student representatives, consistently and throughout the academic year.