12/02/2013 SACUB Meeting Minutes


Motion to approve meeting minutes from last meeting: Approved

Performance Based Budgeting

- University Budgeting Process
  - Fall early winter begins the process
  - Incremental approach- look at the new items
    - Projections include
      - Declines and increases in revenue
      - Increases in expense – new salary, mandatory and strategic re allocation
    - Project gross amount of estimated cut/threshold
    - Budget vetted with university governing group
    - Dean’s asked to begin estimating projected expenses and revenues
  - November thru February
    - Deans asked to present budget plans
      - Includes
        - Strategic plans
        - Recommendations for growth
  - February – April
    - All VP unites, present summary budget plans to PBAC and the President
    - Provost presents details about each dean
  - April – June
    - Revenue estimates are finalized
      - Will there be a cut?
      - Tuition increase?

- How the cut actually worked
  - Cut was assigned across the board.
  - All colleges and units treated the same

- Impact on Colleges
  - Actual performance against enrollment projections didn’t matter
    - If you grew- you took a cut
    - If you shrank- you took a cut

- PBB does not drive the budget decisions
- Wanted to figure out ways to increase students in each college while keeping costs the same
- FY 10
  - PBB presented to the board
  - An alternative traditional budget cutting process
Empowered deans to make incentivized academic and college financial decisions

- **PBB Rules**
  - Revenue is attributed to the college of major
  - Colleges pay a transfer price to those who teach their majors
  - Colleges can meet threshold share by using revenue surplus (growth)
  - Or by reducing spending and giving up perm budget
  - Colleges can over spend their perm budget by up to 5% if they are on target to exceed the revenue target
  - Surplus revenue is split 50% college and 50% provost
  - Missing your revenue target results in expense budget cuts

- **Expectations**
  - Make strategic enrollment decisions that are consistent with the academic goals
  - Colleges maintain finances and budget

- **Issues**
  - State support will continue to decline
  - People are trying to misuse PBB
  - Cannot grow forever
  - Cannot cut forever
  - Works in a growth mode but not in a retention mode

- **PBB empowers and incentivizes colleges to make decisions**
- **PBB is a budget management tool**
- **While looking for deans to replace current ones, they have to have a financial understanding of the current budgeting process.**

**Housing and Food Services**

- **Parking Rates**
  - No changes to current rate structure
  - Forecast assumes the sale of Goodman garage to UC Health in December 2014
  - Major parking projects for 2015 include
    - Refurbishing of Goodman garage prior to sale
    - Light replacements in CCM
    - Finish camera installations in remaining garages
    - Scan net system replacement
    - Membrane and other work prescribe by THP study
    - Projected capital expenditures -$2-3 million
  - Only have raised parking rates 1 time in the last 3 years

- **Room Rates**
  - Forecasted increase of 2-3% for FY 2015
  - Forecast assumes
    - No enrollment increase
    - 96% average occupancy across the portfolio for the academic year
- CRC housing to be used as swing space for two years
- 400 bed block lease at University Park to account for CRC beds and projected overflow
  - **FY 14**
    - Total capital expense projected to be @ $4,000,000
  - **Major projects for 2015**
    - Calhoun roof replacement and window glazing
    - Strafford densification (Raise Revenue)
    - Daniels showers
    - Furniture replacement – various halls
    - Total capital expense expected to be @ $6,000,000
- **Board Rates**
  - Forecasted increase of 2-3% for FY 2015
  - Forecast assumes
    - No enrollment increase
    - 96% average occupancy across the portfolio for the academic year
    - CRC housing to be used as swing space for two years
    - 400 bed block lease at University park to account for CRC beds and projected overflow
    - No changes to meal plan design
  - **FY 2014**
    - Total capital expense projected to be @ $500,000
  - **Major projects for 2015 include**
    - Marketpointe patio/plaza renovation
    - Total capital expense projected to be @ $500,000
- All food employees are contracted outside of UC through Aramark
- Bed bugs have a protocol that is followed designed to help treat the infestation and to help the student get relocated for the time being before returning to their room.

**Discussion:**

**Performance Based Budgeting**

- Getting classes as a student is hard to do but understandable by cutting down on classes to save money
- Puts a lot of responsibility on the Dean
- Need to be more upfront with your college officials to voice concerns

**Housing and Food Services**

- Don’t sell parking
• OSU has more spots to sell than UC so it makes sense of their move to sell of their garage
• Need to help voice our concerns about Graduate Housing
  o Find data on Graduate students to help determine how effective Graduate students want campus housing
• Parking and sidewalks should be one unit
• Consolidate recycling to make it more efficient
• CRC is swing space
• Awful to send students to campus park apartments

Next meeting will be on January 13th 2014 to meet with Professional Practice and SAC