

**REPORT: CHANCELLOR'S PLANNING & BUDGET ADVISORY COMMITTEE  
AP STAFF COUNCIL MEETING  
[OCTOBER 17, 2012]**

**MEETING**

On October 1, 2012, the Chancellor's Planning and Budget Advisory Committee met in the Balcony Conference Room in Anthony Hall.

**AGENDA AND DISCUSSION**

A. *Approval of Minutes from August 20, 2012.*

The minutes were approved, and the Chancellor provided updates.

B. *Chancellor Updates.*

*Budget Reductions.* Of note, the Chancellor mentioned the financial crisis, and the need for budget reduction in the range of 6%-7%. She cited several cost increases from last year which must be covered, such as salary increases, and costs to operate the new Transportation Center. In addition, there is another tuition shortfall due to the decline in enrollment, and a need to provide needs-based scholarships for institutional aid. The University's total required reduction totals \$12,870,960. That reduction is a combination of reductions in state funding (\$6,994,500) and income fund (\$5,876,460).

The Chancellor indicated they were able to cover part of the reduction by identifying internal cost savings such as eliminating operating costs for Pulliam Pool and the Ombudsman's Office; and asking the Law School to pick-up utility costs. They also employed tactics such as centralized salary control and sweeps of open positions. Non-academic units also received cuts.

Discussions are taking place on the possibility of starting to charge grants for tuition waivers for graduate assistants, and charge overhead for contracted work with outside parties. In addition, campus units may be taxed to help fund the overhead costs for the new Student Services Building.

Judy Marshall reported that there is a review underway of the 520 self-supporting accounts on campus. 40% of these accounts are funded from external sources; 30% from internal or mixed sources; and 20% are not active or are in the process of being closed or rolled into new accounts. The accounts with external funding activity are going to be looked at closely, and their rate sheets evaluated.

C. *Subcommittee Status Reports.*

*Budget Reallocation Method.* The subcommittee on the Budget Reallocation Method reported. The purpose of this committee is to recommend a model to be used by the campus to distribute budget reductions to academic units. After much thought and planning, the method selected includes two components: credit hours taught and new

student enrollment. The split between the two is 70%/30%. There was much discussion regarding the committee's decision to include only these two factors. Issues that surfaced included the flaw in head count, the exclusion of a factor in the model for retention, and using the model on a straight yearly basis with no consideration given to past performance.

The flaw in the model considering increases in enrollment is that students taking 3 hours of course credit count the same as students taking 12 credit hours. The exclusion of a retention component in the equation would reward colleges that choose to relax standards and admit students who might not be successful in an attempt to boost head count and increase credit hours taught. Several members questioned the decision to base the model on a strict yearly comparison, because one year does not necessarily show a trend. Rather, it might catch yearly fluctuations which could be significant. For example, a college increasing enrollment over a four-year period might be hit hard for a one year decline.

The discussion on the method ended with the Chancellor thanking the committee for their work and mentioning that she would prefer to move entirely to a credit hour generation method from her previous experiences, because she believes that model is what would most closely match instruction needs.

*5-10-15 Rule Subcommittee.* This subcommittee report will be shared at the next meeting.

#### D. Other Business

*Student Health Office.* The Student Health Office is investigating opening up services to campus faculty and staff. Some test runs made by individuals show that the Student Health Services has been able to see patients, diagnosis health ailments, and get faculty and staff back to work quickly.

As soon as billing problems are worked out, they anticipate offering this service to all faculty and staff. It would benefit faculty/staff and create a revenue stream for Student Health Services.

*Efficiencies Update.* The administration has achieved efficiencies by moving Payroll and Procurement Services to Wakeland Hall in the creation of a center for shared business services. Human Resources will be moving to Miles Hall in mid-November.