

University Budget Committee
Meeting Minutes
March 20, 2014

UC 330/331, 2:00-3:00 PM

- I. Opening- The meeting will largely walk through of our current fiscal position. The spring numbers are in and our enrollment finalized. We can now see and plan with those numbers.
 - A. Review PowerPoint of fiscal history- Opening with slide of general fund and FTE history. Our expenses are increasing along-side our falling enrollment numbers. Our general funds are tied to enrollment. The spikes in expenses are generally associated with employee hires. 80% of our budget is tied to personnel.
 - B. We are providing more support programs than what we had 5 years ago, accordingly we have more employees. FTE is the number of total payroll hours. All things add up to a \$6.4M shortfall in FY14, with the final spring enrollment numbers included.

- II. Planning for FY15
 - A. There have been increases in expenditures factored into our upcoming budgets, including cost of living, salary raises, etc. These were largely funded by the state this year. The current budget update calculated from our newest enrollment numbers show that we have an additional \$640k shortfall that we didn't have earlier this year for FY14. Our fall numbers project a \$9.6M shortfall in FY15. This will be addressed with an 8.14% reduction across campus, and 1% for classroom activities.
 - B. These sector reductions have already been identified by sector heads, captured, and planned for FY15. The cuts are based off of budget projections with modest enrollment numbers and will allow for us to balance the budget in FY15. Regarding our projections, our fall enrollment numbers are projected to be flat, and spring numbers to be falling. All of these numbers were just recently submitted to A&F, we will compile them as soon as possible to measure percentages and FTE that are being reduced, but these numbers won't be available until a later date because the numbers are so new. We plan on getting these numbers finished and submitted as soon as possible, so we try and get ahead and start planning for the FY16-FY17 biennium.

- III. Recruitment efforts- We have a very active campus right now participating in recruitment efforts, including faculty calling students, meeting with parents, etc. We don't have any FY15 enrollment data at the moment, but we are expecting a large graduating class this spring and that will impact our fall budget, regardless of how we estimate projections of new students in the fall.

- IV. UBC going forward-
 - A. OCHE has asked that 50% of our budget go towards instruction. This largely mirrors NACUBO's best practices recommendations, and we are right on target with those standards, and may even exceed them in the fall after our budget cuts.
 - B. Next meeting we will start having reports back on cost savings and we might start having a conversation about early returns on enrollment projection data. We will also need to discuss our budget model for 2-3 years in the future, so this will help with our medium

range planning. The committee needs to address how we build a model that really works and supports our campus in immediate, medium, and long term planning.

- C. The performance funding discussions continue with OCHE. We are at a good starting point on metrics that will be used. We will have three open-forum meetings across campus these next two weeks (March 21st, 26th, & 27th). They will help to answer any questions or give feedback to administration as we move forward. The goal is to get the right set of metrics and allocation model in place. We want metrics that are Montana-wide and institution specific, so as research institutions aren't competing with technical schools using the same metrics. We are also focused on metrics that look at quality and how quality might be measured. What are you measuring, and how are you distributing according to the data? At the current moment, we are discussing what to measure with OCHE. The allocation conversation will come later.