



University Budget Committee Minutes

March 1, 2018

2:00 – 3:00 PM

UH 004

1. FY18 Current Status

The FY18 general fund budget that was approved by the BOR in September 2017 included \$148,321,407 in expenses (about 80 percent of that personnel). Projected revenue to pay for those expenses included state support of \$59,150,955, \$85,211,096 in tuition, \$3,459,356 as One-Time-Only support, and \$500,000 in special appropriations. At the March 2018 Board of Regents meeting next week, updated figures for FY18 will be presented. Tuition revenue for Summer 2017 was down \$195,954, for Fall 2017 it was up \$926,804, and for Spring 2018 so far it is down \$754,473. The Spring 2018 number will likely change a little as students pay their bills, but tuition revenues will likely make the projected number.

FY18 changes to date include: a decrease in the state appropriation and millage, search costs, lecturer retention costs, and reduced workers comp premiums.

2. FY19 Projected Budget

Allocations for general funds have already been given out, which gives units time to plan. Factors affecting the FY19 budget include:

- FY18 structural deficit of \$3.5 million
- Decrease in appropriations/millage/performance funding
- Waiver increase: grad TAs, Title IX compliance, undergrad
- Present Law: utilities, IT costs, library
- Personnel: CBA requirements, retaining lecturers, negotiations
- Admissions funding: restore to previous level
- Decreased tuition revenue due to student FTE decrease (project 325 FTE decrease from FY18 to FY19)

Result: \$10 million challenge

How to balance FY19: VERIP savings (\$1.8 million), VSO savings (\$2 million), One-Time-Only (interest earning accounts, delay expenditures, miscellaneous fee revenues)

3. 4-Year Outlook

UM has never had a 4-year model before, so this is new. Key components: maintain state funding (millage and appropriations), improve performance funding, increase enrollment, increase retention, decrease expenses

4. Enrollment Strategies

UM is reaching out to HS students starting in the 9th grade now. Contracting with Fire Engine Red for sophomore and junior searches. Interest in UM is up. WUE has increased 8 percent. UM will be using the Common Application for out of state students, launching July 15 – this makes it easier for students to apply. Recruitment counselors are traveling all over the United States. We're working with a marketing firm, and WUE standards have changed.