

Strategic Budget & Planning Advisory Committee

November 18, 2014 Meeting Notes

In Attendance: Michael Ciri (co-chair), Rick Caulfield (co-chair), John Pugh, Joe Nelson, Karen Schmitt, Deb Lo, Vickie Williams, Elise Tomlinson, Pete Traxler, Denise Blankenship, Priscilla Schulte, Kevin Krein, Maren Haavig, Margaret Rea, Julie Vigil, Eric Scott, Keith Gerken, Debbie Sonnenberg, Brad Ewing, Maria Moya, Victoria Daniels

UAS MISSION

RCaulfield reminded the committee that the UAS mission and core themes are the starting point for all budget discussions. JPugh added the UA president recently publicly recognized how tightly focused UAS is to its mission.

INSTITUTIONAL METRICS

BEwing provided an overview of our UAS institutional metrics, linked to our UAS' mission, core themes, and indicators. SPBAC discussed whether to add or remove indicators; if indicator definitions and goals should be modified (and if so, how); and the manner in which UAS should use the indicators to better inform upcoming budget decision-making. RCaulfield asked members to forward suggestions to BEwing. He added the next step in the process will be for a sub-group of SPBAC members to review, consider proposed modifications, and how to pare down the number of indicators to only the most useful. There was general agreement that the number of indicators and metrics should be reduced and reassessed to ensure that they add value to strategic assessment and decision-making.

FY15 BUDGET STATUS & FY16 OVERVIEW

MCiri distributed documents entitled *UA' Proposed FY16 Operating Budget Request Summary* and *FY16 Budget Update*. The Summary outlines UA's initial budget proposal (September), recommended proposal, and the Governor's "Hold the Line" budget scenarios. The Update document identifies UAS' operating and capital budget increment requests the Board of Regents are advancing to the Governor. It also summarizes FY16 decrements, including reminders that a multi-million dollar decrement to the UA system is likely for FY16; for each \$1M decrement at the UA level, UAS must absorb \$80K (8%); and for each 1% increase in student credit hour production, approximately \$110K in revenue is earned.

FY17 ENHANCEMENTS, INCREMENTS, & REALLOCATION REQUESTS

RCaulfield and MCiri distributed to SPBAC the budget increment proposal requests received to date from SPBAC members. They include the following:

- Biology/Fisheries Faculty (Two) Positions (FY16 & FY17) – ongoing personal services cost
- Alaska Native Studies and Languages Lab (FY15) – one-time equipment cost
- Term Research Assistant Professorships in ACRC (FY15) – one-month of personal services cost
- Marine Transportation Ketchikan Faculty Position (FY17) – ongoing personal services cost
- Construction Technology Juneau Faculty Position (FY16) – no net fiscal impact (funded externally)

Today's meeting served as first reading for these proposals. The requestors gave summaries of the requests. RCaulfield encouraged the originators of these proposals to continue refinements in light of feedback, and to forward updated proposals through deans and directors. At the January meeting, SPBAC will review the refined proposals and give them further consideration (second reading).

DRAFT UFB PRINCIPLES & PRACTICES

MCiri distributed a document entitled *UAS Unreserved Fund Balance (UFB) Principles and Practices*. He explained it is in response to SPBAC's expressed desire from last spring to consider options for retaining some of the discretion for these funds within the units where they were accrued. The draft document outlines proposed UFB investment strategies, distributions, and targets. The proposed strategy focused solely on non-personnel funds. There was considerable debate about the pros and cons of such a strategy, and a realization that the proposed strategy would not likely give units much UFB to work with. The point was made that, in general, UFB needs to be retained at the institutional level in order to address vagaries of the budget management process across UAS. At the suggestion of the Chancellor, the proposal was tabled.

NEXT MEETING: Tuesday, December 16th 2:00 to 4:00pm in Glacier View Room (and via video conference)

SUBSEQUENT MEETINGS:

Tuesday, March 24, 2015 2:00-4:00pm and Wednesday, May 6, 2015 2:00-4:00pm