

Strategic Budget Committee

Monday, 8/28/23, 3 PM – online

Attendance: Sheryl VanGruensven, Kate Burns, Tony Werner, Susan Gallagher-Lepak, John Katers, Ryan Martin, Pieter deHart, SuAnn Detampel, Lisa Jackovich, Jen Jones, Jess Lambrect, Melissa Nash, Courtney Sherman, Brenda Beck, Andy Bleier, Brian Merkel, Steve Millard, Tracy Van Erem

Budget Process Overview – Lisa and Melissa

- Lisa provided an overview of how the budget process goes. During the course of the year, the Budget Office keeps track of available salary funds as staffing changes and salary adjustments are made. As changes have occurred over the years, the amount of available central dollars has been largely used up. This is due to pay plans occurring, with limited state support to pay for them. Another reason is salary pressure from filling vacant positions. In the past, as people retired, positions would usually be filled by someone at a much lower salary. This has been compressed in recent years, and sometimes is inverted in hard to fill positions.

We generally rollover budget amounts from prior years. PlanUW has prior year expense budgets seeded into the system prior to opening the budget for data entry by campus personnel.

Melissa discussed plans about a compensation adjustment program. We know that due to the budgeted tuition deficit, we do not anticipate there being funds available, especially at scale. The new tuition differential has allowed us to make some targeted adjustments, including in Advising, and some faculty adjustments and positions. Other salary adjustments will likely need to be handled in one-off situations, using BP Logix request forms.

Susan asked a question regarding support provided to Athletics. Sheryl indicated that in October '22, it was determined that support was going to be needed. There were circumstances that impacted both the revenue and expense side, including team travel expenses increasing higher than expected, and the loss of sponsorships.

FY23 Year-End – Sheryl, SuAnn and Lisa

- Sheryl provided a review of FY23. The overarching goal for the year was to spend down balances that had accumulated. Notable items included:
 - o Tuition revenue declined by \$1M due to decline in degree seeking UG students
 - o Federal COVID relief funds were spent primarily in FY22, and no longer available in FY23
 - o Support to Athletics reduced funds available that historically would have allowed us to reduce fringe expenses
 - o President Rothman communicated a definition of a structural deficit to include all funds, and requested campuses to maintain 30-60 day of cash on hand

- Revenue on all funds was down by \$5.1M in FY23 (largely change in COVID relief)
- Expenses were up \$4.8M in FY23 (salary and fringe made up \$4M)
- We carried \$3.5M less GPR funds from FY22 to FY23.
- Fund 189 tuition revenue increased \$956K on \$520K of increased expenses
- Total GPR and Tuition year-end fund balances were \$7.7M, or 34 days of cash
- SuAnn provided an additional FY23 review. See attached documents

FY24 Budget Overview – Sheryl and Lisa

- Lisa provided a review of fund balance projections. See attached documents.
- Sheryl indicated that we are looking to reduce spending by approximately \$2M this year. We are in initial phases of identifying areas or ways to make cuts to limit impact.
- Brian asked if reports like this can be made available prior to the meeting so that members can have questions prepared. Sheryl indicated that these will be made available, and that we can take questions at our next SBC meeting, planned for September.

FY24 Tuition Increase and Differentials – Sheryl, Kate and Lisa

- Kate provided an update on the use of funds. She indicated that we are planning to take a measured approach until we are more confident about differential revenue. We have begun making use of some of the funds, but we will be delaying some activity to the 2nd half of the year. We have already added a faculty line and made some faculty salary adjustments. We have adjusted advisor salaries. Susan asked about the ability to use differential revenue to backfill tuition shortfall. Kate and Sheryl indicated that directly, we cannot use the funds that way. We must use the differential according to our plans. There may be instances where we reduce spending in an area on our tuition budget, but then see differential funding allocated there. We do not intend to use the funds in that manner, but the circumstances of cost reduction plans and differential allocation plans may overlap in limited instances.

Next Meeting – the next SBC meeting is not scheduled, but is planned for late September or early October