

University Budget Advisory Committee

Minutes – 11/4/2019 meeting

Voting members present: Nabil Al-Tikriti (Chair, At-large)
Stephen Davies (Secretary, At-large)
Brooke Di Lauro (At-large)
Chris Garcia (COB)
Kyle Schultz (COE)
Suzanne Sumner (At-large)
Abbie Tomba (CAS)

Non-voting members present: Christy Pack (Staff Advisory Council President)
Dana Hall (Athletics, Health & Physical Education)

Non-voting members absent: Representative from the Student Government Association

Guests: Troy Paino (President)
Paul Messplay (VP Administration & Finance)
Anand Rao (UFC Chair)

Summary of discussion:

1. Dr. Al-Tikriti welcomed our invited guests, Dr. Paino and Mr. Messplay. He asked them to comment on what kind of role they wanted the committee to play, while noting that its role has oscillated somewhat over the past six years.
2. Mr. Messplay has been working with the VPs of each area on strategic priorities, to determine what we can and can't do in the coming year. He suggested that the faculty (through the committee) will be able to weigh in on those priorities. Dr. Paino also suggested that the committee needs to see "where the administration is coming from," and made the case for transparent communication.
3. Generally speaking, Dr. Paino believes that UMW should focus on core competencies, and look for ways to outsource things we don't do as well (the switch to Barnes & Noble for our bookstore was mentioned as an example).
4. Dr. Paino also drew attention to the recent budget restructuring that ties unit costs to specific revenue streams. This allows us to better see "who's paying for what?" Previously, what he described as a "muddle budget" left decision makers without a clear sense of which sources provided funds for their activities, and thus what their limitations were. Among other things, Dr. Paino wants us to be able to justify to students and parents: "what exactly is that auxiliary fee going towards?"
5. Regrettably, Dr. Paino was also clear that overall, our budget challenges aren't going away any time soon. Any initiatives we choose to invest in will require pain in other areas. In no feasible scenario will UMW have extra revenue at their disposal. For the immediate term, there is a \$1.2 million "hole" going into next fiscal year. (And that's before embedded cost increases we have to add.)

Also, Dr. Paino characterized recent communications from the state as "dire warnings." As an exercise, Governor Northam asked state university administrators to think about how they'd respond to a 5% cut in budget (for us, about \$1.5 million). The results of that (hypothetical?) exercise for UMW were dire indeed. Many factors are somewhat outside our control: for instance, student services are big cost drivers for us. We have a greater fraction of students with disabilities

than many of our peer institutions in the state; we have recently seen an increase in Pell-eligible students, so our financial aid costs have increased, and so forth. The UMW administration made it clear in response to the Governor that if such draconian cuts were implemented, our institution would find it extremely difficult to meet workforce demands for technology, health, and other state priorities.

6. Regarding compensation, Dr. Paino wants to continue to address faculty salaries. However, since our most recent market compensation study for faculty is now eight years out of date, he thinks we need to do another study first. (A market study for staff has been done more recently, so this is not needed in the short term.)
7. Dr. Rao stated that it would be good to know when and where the administration's "inflection points" are, so that the faculty can give meaningful input on decisions. Dr. Paino said that the "budget building cycle" is from late October to mid April, so now is the right time for us to observe and play a role in the process.
8. Dr. Al-Tikriti inquired as to the status on the state's formula for financial aid. Dr. Paino lamented that progress has been incremental. With the current formula, the wealthier schools (UVA, W&M, *etc.*) have a great advantage. A SCHEV working group is recommending a model that would benefit us smaller institutions, but it's still incremental. (Their current recommendation would yield us about \$300,000, not close to the \$1.2 million necessary to close the gap we face.)
9. In other news, the "cost sharing" that the state provides has eroded considerably over the years. In 2001, the state paid for 77% of in-state students' costs. Last year, that number had plummeted to 47%. This coupled with our decreasing number of out-of-state students is exacerbating our budget pressures.
10. Dr. Rao asked Dr. Paino and Mr. Messplay directly whether cuts to any academic programs were currently being considered. Dr. Paino stated that no such cuts are currently on the table for anything as significant as (say) closing a department.
11. Dr. Al-Tikriti brought up the subject of the shrinking freshman class (in particular, the summer "melt"), and the administration's strategies for dealing with it. Dr. Paino cited "the VA Tech phenomenon" (they decided to admit an additional 1000 students last year) as a major culprit. UMW is particularly vulnerable to that kind of move by other in-state institutions, as are schools like JMU and W&M, who went deep down into their wait lists to meet enrollment projections. Dr. Paino noted that UMW didn't go as far down on our wait list, in part because of concerns that we would be admitting students who were academically unprepared.
12. Ms. Hall noted one past achievement for UBAC was recommending more funding for the Talley Center, which resulted in 2.5 more counselor FTEs. This success was inspiring to the current committee members and further warmed us to our task.
13. Dr. Schultz asked whether departments at UMW currently had any incentive to save money and increase their efficiency. Dr. Paino said that nothing like this was in place, but was intrigued by the idea and thought it was worth looking into how to "reward the decision-makers on the ground."
14. We discussed future visits to the committee's meetings by administrators. Dr. Paino stressed that if we want to make a substantive difference in the overall budget, the three largest pools by

far are: the Provost's office, Student Affairs, and Finance & Administration. The other units mentioned on our original list are far smaller in scope and impact.

After clarifying some organizational points, we restructured our list of invitations from last meeting as follows:

- (a) President Paino
- (b) Administration & Finance (Paul Messplay), which includes:
 - Facilities
 - Procurement and Contracts
 - Virginia Retirement System (under HR, Beth Williams)
- (c) UMW Foundation (Jeff Rountree and Greg Branner)
- (d) Enrollment Management (Kimberly Buster-Williams), which includes:
 - Admissions & Financial Aid
- (e) Advancement & University Relations (Lisa Bowling), which includes:
 - Marketing & Publicity
 - Alumni Relations
- (f) Provost (Nina Mikhalevsky), which includes:
 - Deans of CAS, CoE, and CoB
- (g) Student Affairs (Juliette Landphair), which includes:
 - Residence Life
 - Athletics
 - Campus Recreation
 - SGA
 - SAE
 - University Police
 - Multicultural Affairs
 - Health Center and Talley Center

Dr. Al-Tikriti will be contacting leadership from each of these areas to schedule these presentations, the next one taking place on Nov. 26th (4pm, HCC 307), and the following one (with Jeff Rountree and/or Greg Branner) hopefully on Dec. 2nd, 3rd, or 5th. The respective parties will be encouraged to bring whichever direct reports they feel would add insight to our discussion.

15. Dr. Paino thought that perhaps the committee's most important contribution would be to hear all the presentations above, and then consider what "the top 1, 2, or 3" investment priorities should be, university-wide. He also mentioned that some broader strategies (like addressing compensation) might not come out from individual VPs, since they are broader in scope.

Timeline: at the beginning of March, UMW learns what the state allocation is, and the administration then has about a month to factor that in to budgets for the upcoming year, and present to the BOV and other stakeholders. The first week of April is thus the optimal time for us to give opinions about spending priorities.

16. From the perspective of the UFC, Dr. Rao stated that the interim reports (and meeting minutes) the committee sends to them will be valuable, not just the committee's final recommendations. It was agreed that (with permission from presenters) the committee will forward to the UFC the slides, spreadsheets, and other materials presenters bring to future meetings, in addition to our report.
17. Dr. DiLauro requested that Mr. Messplay share with us the prioritized list (item 2, above) in

advance of his Nov. 26th presentation to us, so that we have context. Dr. Tomba noted that in March, when final recommendations are being hammered out, it would be wise to check in again with Mr. Messplay to see whether any changes to this list have been made in the interim.

18. Finally, Dr. Rao suggested that any potential changes to the Faculty Handbook the committee wants to make be forwarded to the UFC in time for the Dec. 4th meeting.

Action items:

- Schedule representatives on the revised list (above) for November through February. (Al-Tikriti)
- Broach the idea of permitting consecutive terms of service on the UBAC with the UFC (and UFOC). (Rao)
- Contact the SGA and invite them to send a representative to the committee. (Rao)
- Ask Paul Messplay for the prioritized list of budgetary items in advance of our Nov. 26th meeting. (Al-Tikriti)
- Formally invite Paul Messplay to attend *all* committee meetings during this AY. (Al-Tikriti)
- In March, remember to ask Paul Messplay in March for any changes that have been made to his prioritized budget item list between now and then. (Davies)
- Send any desired Faculty Handbook changes from this committee to the UFC in time for their Dec. 4th meeting. (Al-Tikriti)