

Budget Planning Council Meeting Notes
September 30, 2011
10:00 AM – 12:00 PM
Baker Center – Multicultural Multipurpose Room

In attendance: Pam Benoit, Steve Golding, Joe McLaughlin, George Cheripko, Kent Smith, Kyle Triplett, Claudia Hale, John Gilliom, Elizabeth Sayres, Lisa Kamody, Greg Kremer, Randy Leite, Howard Dewald

Absent: Tracy Kelly, Renee Middleton

Staff: Michael Angelini, Marjorie Mora, Dawn Weiser, Steve Flaherty, Katie Quaranta, Craig Cornell, Diane Lucas, Becky Watts, John Day

I. Welcome to new members and introduction

- Introductions and welcome to new members

II. Budget 101 – John Day discussion; Budget 101 presentation will be available on the BPC website <http://www.ohio.edu/finance/bpa/mtgs.cfm>

- The basis for the discussion / presentation is the current FY 2012 budget; the purpose of the review is for all members to gain some understanding of budget framework and components and start out from a shared point of reference
- Various charts were presented reflecting
 - Total OU Budget - \$751M, shown by major units - Athens, OUHCOM, UORC, Auxiliary components
 - Restricted and Unrestricted breakdown
 - Sources of Restricted Revenue
 - Unrestricted by major unit – Athens campus unrestricted budget of \$390M is the segment that BPC will focus its attention on most
- Athens Unrestricted E&G Revenue - broken down by major sources - \$390M
 - Majority of revenue, ~90%, derived by student activity revenue – instructional, subsidy, and other fees
- Discussion of the Tuition and Fee details which build the annual revenue budget
 - Enrollment projections drive tuition and fee budgets
 - Variables include Resident / non-resident, retention percentages, full time equivalents vs headcount enrollments
 - Undergraduate & Graduate computations
 - Annually there are ‘carve outs’ to central tuition and fee revenues for programs such as OPIE, Education Abroad, and several others which are credited directly for their program revenues
 - Scholarships reduce Undergraduate gross revenues
 - Graduate Fee Waivers reduce Graduate gross revenues
- Subsidy earning calculation discussed
 - 22 cost models for which the projected Credit hour production results in subsidy earnings to the university
 - Eventually adjusted for ‘actual’ credit hours reported
 - Subsidy also computed based on credit hour and degree completion for each the general and at-risk populations
 - Medical subsidy earned based on headcount and not credit hour
 - Doctoral is based on FTE also – frozen at current levels or could decline based on lower FTE; increasing doctoral enrollment will not result in new subsidy due to the ‘freeze’

- Actual subsidy collected will also be impacted by the actual mix of enrollments across the state – the total will distributed proportionately
- Other sources of funds (~10%) consist of
 - overhead charged to auxiliary and self-supporting units
 - current study in process to reevaluate the internal charges assessed to users of those services -> similar study to the Federal Indirect Study
 - will become an important discussion as we move to RCM
 - transfers between units to support specific services provided; for instance, auxiliary unit payments for facilities, OIT, etc.
 - other transfers in
- Discussion of the General Fee, General Fund, Designated Fund break out of the same \$390M Athens Campus budget
 - General Fund – planning unit break down of allocation of FY2012 spending authority
 - Discussed further breakdown of VPF&A and Enrollment Services as examples
 - Discussed ‘Funds to Be Distributed’ and the types of institutional activities these monies are set aside for – these funds are held centrally and distributed as needed through year
 - Discussed the nature of items held in ‘Central Budgets’
 - General Fee – 2 major units funded – Student Affairs and Athletics
 - Designated Fund – earned revenue in the planning units – retain revenues to offset costs; contains college course fees
- General Fund Spending Authority -> 70% spent on ‘People’, 30% on ‘Other’
- Expenditures – FY11 actual spending pie chart shown with 4 large pools reflecting the total spend -> 1) faculty/staff, 2) other people, 3) benefits, 4) other
 - Discussion of several ‘stop-loss reserves’ that are built into the budget to protect against unforeseen events – Enrollment Reserve, Maintenance Reserve, etc.
- Major Budget Assumptions that BPC will deal with are shown on page 25
 - Large part of budget discussion is dependent on the enrollment assumptions
 - State subsidy will depend on discussions at the state
 - Compensation recommendations for raise pool, health care increase projections, other benefits
 - Utilities inflation
 - Scholarships / Grad fee waivers
 - Debt – as it relates to discussions going on now as part of the comprehensive 6 Year capital plan

III. Fee Committees

- Student Fee committee
 - Guidance to Planning Units getting ready for distribution this year – will require touching every fee due to the Q2S conversion – significant undertaking
- General Fee Advisory Committee
 - Membership is nearly complete
 - Charge to this year’s committee will be given later this quarter

IV. Discussion

- SSI definitions are on the Board of Regents website in the financial area
 - Subsidy calculations for each university
 - Refer to the web link for BOR financial information
<http://www.ohiohighered.org/node/685#fy12-13>

V. Next Meeting

- October 14 in Ellis 113