BPC Members In Attendance: Deb Shaffer, David Descutner, Renée Middleton, Matthew Shaftel, Maria Modayil, Landen Lama, Trevor Roycroft, Cindy Anderson, Joe McLaughlin, David Thomas

BPC Members Absent: Brooke Mauro, Faith Voinovich, Jason Pina, Jessica Wingett, Heather Gould, Susan Williams, Randy Leite

Staff: John Day, Heather Krugman, Katie Hensel, Dawn Weiser, Kayla Righter, Jim Sabin, Rosanna Howard, Jen Kirksey, Bob Kissell, Brooke Miller, Shelley Ruff, Candace Boeninger

Welcome and Introductions
- Members introduced themselves
- Deb announced that both Student Trustees will be invited to BPC meetings for FY18; due to conflicts throughout much of the year for the senior student trustee, Brooke Mauro, the new student trustee, Faith Voinovich, will be invited also

Budget Planning Council (BPC)
- Deb reviewed the BPC charge
- There will be some change to the way BPC operates this year
  - Less time will be spent on in-depth review of the macro budget ‘line item’ topics
  - Planning assumptions and processes being undertaken throughout the budget planning timeframe will be reviewed currently with BPC
- An orientation session will be held next Thursday, August 31, for any member interested and will serve as a general review of the larger budget line items
- A Budget Model Committee is being convened by President Nellis to review the hybrid-RCM model which the University has employed the past several years
  - Goal will be to reach a consensus on a revised model to better serve the University units in accordance with the University 4X4 Strategic Priorities (See Attached)
  - The first meeting of the new Committee is planned for next week, August 28
  - The Committee will meet every 2 weeks for 2 hours
  - By November, the Committee will arrive at a couple of recommendations for presentation to campus groups
  - A final recommendation will be sent forward to the President in the spring, following incorporation of campus feedback
- Other campus committees involved with the budget process include
  - Student Services Committee – Student Senate President is the Chair
    - Previously known as the General Fee Committee
    - The Committee will review Diversity and Inclusion and Intercollegiate Athletics in FY18
    - Committee reviews student support services on campus and evaluates their importance and criticality to students
  - Student Fee Committee – review fee proposals from campus units
    - The OHIO Guarantee has reduced the volume of fees being proposed; many existing program fees were rolled into the Guarantee
      - This inclusion of program fees may require review in the future since it is hampering colleges ability to absorb growth and increases in costs
Aviation fees and study abroad are two examples of fees outside the Guarantee which continue to be reviewed by this committee.

The State of Ohio has issued a moratorium on instituting new fees – exceptions exist for auxiliaries, pass-through fees, certifications.

- **Benefits Advisory Committee** – examines benefit plan designs, annual cost accelerators, national trends.
  - Goal is to manage cost increases to no more than 5% annually and plan costs to stay within federal guidelines to avoid Affordable Care Act penalties.
  - FY18 Committee projects will include an analysis of domestic partner benefits and a dependent audit.

**Budget Stakeholders**
- The Board of Trustees approves tuition and fee rates and the annual operating and capital budgets based on a multi-year presentation.
- Colleges ‘own’ the University budget in an RCM environment.
  - The annual budget must be ‘balanced’ and has become a shared process.
  - RCM brought a lot of fiscal intelligence to those participating in the University’s budget process.

**Strategic Priorities and Supporting Initiatives** – the ‘4X4’ is the basis for prioritization of initiatives and investment.
- Deb reminded members that information and answers to most questions about priorities and investment can be found in the annually produced Budget Book.
  - All members of BPC were provided copies of the FY18 Budget Book and it is also available on the Budget website.

**FY19 Challenges to budget were discussed and include**
- Enrollments which came in less than budgeted for Fall 2017.
- Constrained revenue from the state and freezes to undergraduate tuition while expenditures increase annually.
- Competitive employee compensation for faculty and staff when increases have been held to 0% for FY18.
- Deferred maintenance for aged facilities.

**Discussion:**
- BPC does not have a final, end of year product but their work informs the final annual budget.
- BPC in the past would actually mull over options for “planning assumptions” – after RCM seems that BPC is now ‘being told’ the preferred assumptions with little in-depth dialogue and analysis.
  - Deans Council is today’s venue for many enrollment and cost discussions in the current RCM environment.
- A significant amount of the University budget is being expended in the cost centers, outside the colleges.
  - Deans Council discusses any budget dollars to be added to the support cost center budgets.
- The primary auxiliaries, Housing and Dining, come to BPC and present recommendations for fee increases; Auxiliary units pay all their direct costs and have been good partners in phasing in shared costs of institutional scholarships.
- Innovation Strategy is still occurring – multi-year projects are continuing; new awards were slowed as a way to hold back and prioritize investments that will result in new revenues in the near-term.
- Concern was expressed about lack of student involvement on the Budget Model Committee; Deb did remind that this committee will only be concerned with the model, not any actual budget expenditure or revenue projections.
Communication strategy for the FY19 budget process is still being developed; Deb envisions continuing to strategically and intentionally use BPC members to help socialize the process and spread the word throughout their constituent groups and in their units.

FY19 Budget Planning
The Assumptions document is replicated in section 19 of the Budget Book.
Planning assumptions are continually being communicated during the annual budget process.
The FY19 Planning Assumptions were communicated during the last budget cycle and today’s discussion starts where we left off.

Planning Assumptions for Fall (2017) FY19 budget development:

- Freshmen enrollment - the enrollment ‘floor’ for FY19 freshmen will be 3,984.
  - Based on statistics for Ohio High School Graduates, an OHIO Freshmen ‘base’ was determined to be 10% of Ohio HS Graduates attending University.
    - Craig C and Katie H arrived at 10% based on historical averages for OHIO.
    - The 10% will be followed to determine if realistic and whether multi-year projections need revised.

- FY19 UG Enrollment assumption will be based on a 3-yr average of retention rates.
  - Retention data suggests that our rate could be down by up to 1%.
    - At this point there are no known reasons for the expected decline.
  - Transfer assumptions are down slightly in Fall 2017 but otherwise are holding steady even though 2-year enrollments across the state are declining.

- Student Financial Aid projection will be driven by Enrollment projections.
  - Another conversation for FY19 is how much institutional financial aid should be maintained by the university? Is it based on a discount rate, a flat amount, or some other factor?

- SSI projections reflect no new money from the state per the Budget Bill.

- Healthcare holding to 5% university share may be necessary due to rising health care costs, but continues to put pressure on the budget.

- Salary Increases - Initial proposal for 2% raise pool, 1% faculty comp plan and 0% staff comp initiative for FY19.
  - AFSCME bargaining unit gets 1.5% per their contract.
  - $0 increases will risk the loss of faculty and staff talent following a year of $0 increase.
  - This proposal is a starting point, before availability of market information for staff compensation.
  - Faculty Compensation Taskforce will be reconstituted and start analyzing the results of the previous effort and creating a new plan that will involve a review of the goals, metrics used and approach to maintaining competitive faculty compensation.

- Allocated Costs increase of $750K recommended.
  - Deb discussed necessary investments for compliance - HIPPA compliance position.
  - The planned Administrative unit reductions of $2.3M are part of the assumptions.
  - BPC felt minimizing additions at the central level helps send the right message to the community.

Next Meeting – Thursday, August 31, 2017, 11:00-1:00, Baker Center Rm 503 – ORIENTATION optional
Thursday, September 14, 2017, 11:00-1:00, Baker MCC MPR Rm 219
Vision Statement
Ohio University will be the nation’s best transformative learning community where students realize their promise, faculty advance knowledge, staff achieve excellence, and alumni become global leaders.

Core Values

Excellence is our hallmark
- Outstanding people, ideas, and programs drive our educational mission.

Integrity, civility and diversity define our community
- These values guide our leadership in a global society.

Stewardship enhances our legacy
- As Ohio’s first institution of public higher education, we are mindful of our accountability to the public trust.