

# University Budget Council

## Minutes

1.27.2023 | 9:00 am | Meeting called to order by Tim Bisping

### In Attendance

<input checked="" type="checkbox"/> Angela Bacarisse	<input checked="" type="checkbox"/> Leslie Cecil	<input checked="" type="checkbox"/> Janet Jones	<input checked="" type="checkbox"/> Gina Oglesbee
<input checked="" type="checkbox"/> Erin Bailey	<input checked="" type="checkbox"/> Kim Childs	<input checked="" type="checkbox"/> Larry King	<input checked="" type="checkbox"/> Barbara Qualls
<input checked="" type="checkbox"/> Jessica Barrett	<input checked="" type="checkbox"/> Mike Coffee	<input checked="" type="checkbox"/> Judi Kruwell	<input checked="" type="checkbox"/> Stephanie Ross
<input type="checkbox"/> Todd Barrios	<input checked="" type="checkbox"/> Alisha Collins	<input checked="" type="checkbox"/> Michael Maurer	<input checked="" type="checkbox"/> Jeremy Stovall
<input checked="" type="checkbox"/> Veronica Beavers	<input checked="" type="checkbox"/> Mickey Diez	<input checked="" type="checkbox"/> Chris McKenna	<input checked="" type="checkbox"/> Laura Turner
<input checked="" type="checkbox"/> Ric Berry	<input checked="" type="checkbox"/> Keith Hubbard	<input checked="" type="checkbox"/> Rob Meyers	<input type="checkbox"/> Trey Turner
<input type="checkbox"/> Lesa Beverly	<input checked="" type="checkbox"/> Jason Johnstone	<input checked="" type="checkbox"/> Beverly Moorehouse	<input checked="" type="checkbox"/> Megan Weatherly
<input checked="" type="checkbox"/> Tim Bisping		<input checked="" type="checkbox"/> Kelly Noe	

### Agenda:

1. Welcome
2. Approve Minutes from 10/21/22 Meeting
3. October 2022 Meeting Follow-up
4. Unrestricted Net Position
5. Employee Compensation / Mid-Year Salary Increase
6. FY 2024 Tuition and Fees
7. FY 2024 UTS/SFA Budget
8. LERR Funds
9. Committees

- **Welcome / Approve Minutes from 10/21/22 Meeting**

- Dr. Bisping welcomed the committee members and presented the minutes from 10/21/22 UBC meeting for approval. It was motioned to approve the minutes, Kim Childs seconded, and all voted to approve.

Presentation by Gina Oglesbee

- **October 2022 Meeting Follow-up**

- Items loaded to UBC Teams (10/21/22 PowerPoint presentation and Budget Data file; Institutional Reserves Policy and AFR links provided in minutes)

- **Unrestricted Net Position**

- This slide will be presented at the January Board of Regents meeting.
- University Policy 3.19 Institutional Reserves requires annual reporting of reserve calculations ([unrestricted] primary reserve calculation was 42.9% as of 8/31/22 compared to 40% goal; SACS reserve calculation was at 135 days compared to 90-day goal)
- Question: What was the year over year change in those two calculations? We will pull that information later as not on hand.

- **Employee Compensation / Mid-Year Salary Increase**

- With the decision that we are joining the UT System, the Board of Regents wanted to go ahead and initiate salary adjustment for 3/1/23 – 8/31/23 for the employees. We are proposing to use \$3.5 million of that net position for a 6% cost of living base adjustment, not merit based.
- We are able to propose this as The University of Texas System will allocate \$5.5 million into our university on 9/1/23 to use for salaries or however we see fit.
- In order to receive, employees must be working at SFA as of January 15, 2023, effective for SFA services beginning February 1, 2023, and paid beginning March 1, 2023.
- The President is the final authority on all eligibility and compensation requirements.

- For eligibility documents, see slides 5-7 on PowerPoint Presentation.
- For compensation, see slides 8-9 on PowerPoint Presentation.
- Question: This does not include our vacant lines? No, we have set aside within the \$3.5 million extra funds for use in the future to hire the vacant lines.
- Example: You want to hire an accountant and prior to the cost of living adjustment, they would have made \$50K. With the 6% increase, they will now make \$53K. We would expect you to bring a new accountant in at the \$53K.
- Question: Assuming this gets approved, how do you plan on communicating this out to employees? The list of employees will be sent to the department heads as soon as the BOR approves to confirm and discuss with their employees. Budget Office will be open to have discussions with certain groups of people who may not want to receive the payment depending on other limitations.
- The information on this compensation will be posted and live in the Board book this afternoon.
- Question: These funds are coming from the university reserves? I've heard recommendations from everywhere from 14% to 6%, so the decision was made by the President for the 6%? Yes, funds are coming from reserves. There have been no talks in any of the meetings Gina has been in that included compensation discussions of 14%. The 6% came down to comparative salary analysis within other universities, and UBC mentioned the 6% last year in the budget discussions, and what dollar amount we can safely use from our reserves
- Question: In the last Board of Regents meeting, Chairman Gantt said they wanted us to spend down our reserves? Gina stated that she believes Chair Gantt was talking about the broader discussions that UT System was ok with us using our reserves.
- Question: If we're at 42%, what is the dollar figure on the unrestricted net position? Judi stated that it is 40% of adjusted operating expenditures around \$250 million, but we adjust out depreciation, and add back non-operating expenditures for investing activities and interest on our long-term debt. We try to calculate how many days could we go if we stopped receiving any revenue. We have the calculation, but not on hand for this meeting. The OPEB and Pension all move up to the UT System and will no longer be a part of our financial statements. Follow-up question: Our policy requires 40% reserves, but we have 42%, correct? Judi stated yes. In the past, we weren't always operating at the 40%, it was below the recommended standard. Follow-up question: One story that has been floating around, that obviously wasn't true, was that we went crazy building up the fund balance and there were billions of dollars wrongly put into that which could've been used for other stuff. So, will the 40% requirement in policy change when we enter the system? We will fall under the UT System, and the response that SFA administration received was that we are in line with the reserves for other universities in the system.

- **FY 2024 Tuition and Fees**

- SFA Board of Regents will approve tuition and fees for FY 2024
- All the System universities wrote a letter together to the legislature to not raise tuition and fees, but to fully fund Hazelwood legacy, formula, and other items.
- Coordinating Board will increase from \$459 to \$470 per SCH for non-resident statutory tuition.

- **FY 2024 UTS/SFA Budget**

- There have been talks between SFA and UT System to prioritize what has to be done by September 1, and what needs to be in the legislation or the General Appropriations Act. We will become a PUF school and not a HEF school, but we will continue with our TRB funding and CCAP funding.
- See PowerPoint Slide 11 for UT System Operating Budget Calendar
- What can UBC do now to work on the budget? Operating budget to be discussed at future UBC meeting, but we can begin working on Capital Budget – Library, Equipment, Repair and Rehabilitation (LERR) with UTS.

- **LERR Funds**

- We will only have PUF funds, which will be used like HEF funds, except library subscriptions are handled differently.
- We are proposing a LERR Budget Calendar – see slide 14 on PowerPoint Presentation.
- Recommendation from Chris McKenna for an improvement that if something is already contractually obligated, it needs to be mentioned beforehand.
- Question: Can you comment on the status of the existing HEF funds? Are there monies to spend? Still in discussion phase with UTS about that. The legislation proposed will address HEF balances. We think we will not carry forward HEF balances, but we are working on it. This is a top priority discussion to find answers on.
- What advice or direction would be given for deferred maintenance items since LAR is out? John Branch will be presenting the list of prioritized deferred maintenance at the January Board of Regents meeting. LAR request does include some deferred maintenance. Tim Bisping suggests to just include all items so they have a full list.
- Question: Are any expenditures from Athletics going to be taken over by UT System? No. Any items UTS will be paying on behalf of SFA is because it's PUF/ E&G eligible; Athletics is not in those categories.

Led by Tim Bisping

- **Committees**

- focus is now on LERR process
- Question: Do you plan to have the cabinet come to present? Yes, my thought is to continue like last year.
- Question: Do we have gaps in the UBC members and do we need to fill gaps? As gaps came up, we've been asking for replacement. Terms are coming up and will need to be looked at. Terms were extended by half a year to be more in line with budget.
- Question: Do we know if other UT schools have an equivalent UBC group? Some do, some do not.
- LERR form has been provided to us and we are updating to make it fit with SFA/UTS.

## **Next Meeting**

No meeting is currently scheduled.