

Minutes of February 18, 2010 Meeting

The meeting convened at 10:02 a.m. in room 817, Cathedral of Learning.

UPBC members present were: John Baker, Diana Browning, Jerome Cochran, Angie Coldren, Richard Colwell, N. John Cooper, Jacqueline Dunbar-Jacob, William Harbert, Alan Lesgold, James Maher, Paul Munro, Arthur Ramicone, Jerry Samples, Sharon Smith, Gwen Watkins, and Stephen Wisniewski. Also present were: Albert Novak, Benoni Outerbridge, Robert Pack, and Paul Supowitz.

Not present were: Chan Braithwaite, David DeJong, Judith Erlen, Beverly Ann Gaddy, Phil LaRue, Arthur Levine, Michael Lotze, Jeffrey Masnick, Michael Pinsky, and Kathy Tosh.

Report of the Chair

Maher reported that the Governor has proposed a budget for Fiscal Year 2011. Looking ahead, we should prepare for what is called “the cliff.” That is, it is unlikely the state will have its revenues back up before the federal stimulus funding runs out. In the mean time, we must come up with a budget for the intervening year. This will not be easy. We balanced the budget last year by not giving raises. We don’t want to do that again. On the other hand there are a number of fixed expenses that have increased, and the Governor is proposing that our appropriation be the same as last year.

Minutes of November 13, 2009 Meeting

There was a motion to approve the Minutes of the November 13, 2009 Meeting. The motion was seconded. There was no discussion. The Minutes were approved unanimously.

Discussion of the University’s FY 2011 Commonwealth Appropriation Request

Supowitz reported that because of the delayed Commonwealth budget, we submitted our appropriation request in November, two months after we normally do. We requested a 5% increase over last year. This is a break from the previous year when we requested an increase of 8.5%. We wanted to recognize the budgetary circumstances faced by the Commonwealth and at the same time make it clear that we have financial needs that aren’t being met by the appropriation. In our appropriate request for a 5% increase, we would keep tuition increases to 4% or less and create a salary increase pool of 3%.

Discussion of the Governor’s FY 2011 Commonwealth Budget Proposal

Supowitz reported that the Governor’s Commonwealth budget proposal includes an appropriation for the state-related institutions that is basically flat funding. The overall proposed budget increases by 4%. The Governor’s major increase is in funding for K-12 education. Supowitz reported that the expected “cliff” is not just the loss of federal stimulus dollars. Like the City of Pittsburgh, the Commonwealth is also facing significant unfunded pension liabilities a couple of years out. To summarize, the Governor’s proposed budget for the University is essentially flat funding, which is \$185.6 million.

Supowitz added that historically, the Commonwealth has dealt with one budgetary year at a time. In addition, this is an election year. Everyone in the House of Representatives and half of the Senate is up for re-election, so it is unlikely that the legislature will want to raise taxes or pursue the Governor’s alternate proposal. On February 23, the state-related universities will

University Planning and Budgeting Committee

go before the House Appropriations Committee, followed a couple of weeks later by a hearing before the Senate.

Supowitz went on to say that it has become more difficult to see where all of the university's appropriation comes from. It used to be in different line items, the bulk of which was in the Education and General line. This year, all the lines have been rolled into one line for general support, which is \$167.9 million. This figure is less than the total appropriation because it does not include \$17.7 million that we receive for the Health Sciences, which is pulled out and run through the Pennsylvania Department of Public Welfare so they can get matching federal funds.

Matters Arising

Baker asked about progress made with finding a suitable alternate to the Attribution Study. Ramicone said that his office is trying to meet the information needs with existing reports. The attribution of overhead costs will probably be based on historical percentages. To correct any changes in the relative status between schools, an attribution study will need to be done periodically.

Regarding the next UPBC meeting, Maher said we will have an opportunity to discuss the preliminary numbers generated by the Parameters subcommittee.

The meeting adjourned at 10:47 a.m.