

Minutes of April 07, 2011 Meeting

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

UPBC members present were: John Baker, Patricia Beeson, Shirley Cassing, Jerome Cochran, N. John Cooper, Mary Crossley, William Harbert, Elizabeth Hilf, Paul Munro, Angie Peskie Coldren, Michael Pinsky, Arthur Ramicone, Jerry Samples, William Shields, Jesse Steinberg, and Gwendolyn Watkins.

Also present were: David DeJong, Rich Henderson, Albert Novak, Benoni Outerbridge, and Paul Supowitz.

Not present were: Diana Browning, Stephen Carr, Jacqueline Dunbar-Jacob, Judith Erlen, Beverly Ann Gaddy, Arthur Levine, Michael Lotze, Steve Ruperto, and Molly Stieber.

Minutes of February 17, 2011 Meeting

There was a motion to approve the minutes of the February 17, 2011 Meeting. The motion was seconded. There was discussion regarding the meaning of the change to the Revenue and Cost Attribution study approved in the last meeting. It was agreed that the change dictates that the Revenue and Cost Attribution study will be conducted every three years, and that the figures generated from the most recent study will be used in the intervening years. The minutes were then approved unanimously.

Report of the Chair

Provost Beeson discussed the Governor's proposed cut to the Commonwealth Appropriation. The cut to the Education and General portion of the budget is characterized as 50%, from \$160 million to \$80 million, but this underestimates its full impact. Two years ago the Commonwealth reduced the appropriation by \$7.5 million and substituted it with Federal stimulus funding. The stimulus program ends this year, and is not replaced under the Governor's proposal. In addition, four separate line items are eliminated under the proposal: these had included funding for the School of Medicine, Western Psychiatric Institute and Clinic, the Dental Clinic, and outreach programs run by the School of Public Health. The four line items total \$17 million. Taken together, the proposed cuts total \$104 million, or 56.6% of the current appropriation. In addition, funding from the Tobacco Settlement that has in the past been dedicated to research grants is also in potential jeopardy, putting at risk approximately \$9 million based on past awards. The Governor's proposal also carries indirect affects. For example, the Pennsylvania Higher Education Assistance Agency (PHEAA) grant program is targeted for a 2% cut.

Currently, the Commonwealth Appropriation comprises 9.8% of the University's budget. The proposed cut of 56% would reduce this share to less than 5%. However, this understates the

impact on educational programs because much of the overall budget is restricted. For example, many parts of the budget are restricted, including research, auxiliaries, etc., and these funds cannot be diverted to support educational programs. Removing these restricted items, the impact to the Education and General portion of the budget is closer to 11%. Moreover, we face increased costs for energy, health care, and financial aid.

Update on the Commonwealth Appropriation

Paul Supowitz reported that the proposed cuts were deeper than anything we had anticipated. The cuts are largely aimed at education, and higher education in particular, in contrast to the wide-spread distribution we had expected. However, subsequent developments have offered some positive signs. For example, the Senate Appropriations Committee moved its meeting up one week, and therein expressed support for restoring at least some of the appropriation. There have also been expressions for support within the General Assembly. The legislators want to get the budget completed on time, and we anticipate passage by the end of June.

Report of the Parameters Subcommittee

Dean N. John Cooper presented the efforts of the Parameters Subcommittee to date, and reported that it has arrived at a set of shared values regarding the approach for meeting our budgetary challenges. These include: maintaining excellence in teaching and research, and continuing support of infrastructure; minimizing the impact on students in terms of increased cost and reduced academic quality; and thinking strategically beyond the coming year. With these in mind, the subcommittee is exploring various scenarios to be implemented for addressing alternative levels of reduction in the Commonwealth Appropriation.

Matters Arising

Noting that the Parameters Subcommittee had been working implicitly under the assumption of a salary freeze as a means of addressing our budgetary challenges, Dean Cooper moved that the UPBC authorize the Chancellor to announce a salary freeze should he feel that such an announcement would be strategically advantageous. The motion was seconded. A brief discussion supporting the concept of shared pain ensued. The motion was then approved unanimously.

The meeting adjourned at 11:19 a.m.