

Minutes of April 28, 2011 Meeting

The meeting convened at 2:02 p.m. in room 817, Cathedral of Learning.

UPBC members present were: John Baker, Patricia Beeson, Stephen Carr, Shirley Cassing, Jerome Cochran, N. John Cooper, Mary Crossley, Jacqueline Dunbar-Jacob, William Harbert, Paul Munro, Angie Peskie Coldren, Michael Pinsky, Arthur Ramicone, Jerry Samples, William Shields, and Gwendolyn Watkins.

Also present were: Cassie Brenner, David DeJong, Rich Henderson, Benoni Outerbridge, Paul Supowitz, Kathy Tosh, and Thurman Wingrove.

Not present were: Diana Browning, Judith Erlen, Beverly Ann Gaddy, Elizabeth Hilf, Arthur Levine, Michael Lotze, Steve Ruperto, Jesse Steinberg, and Molly Stieber.

Minutes of April 7, 2011 Meeting

There was a motion to approve the minutes of the April 7, 2011 Meeting. The motion was seconded. There was no discussion. The minutes were approved unanimously.

Report of the Chair

Provost Beeson reported on the uncertainty that remains regarding the size of the FY12 Commonwealth Appropriation. She also noted that efforts continue to restore reductions included in the Governor's budget proposal, and that preparations are being made for coping with various contingencies. She also noted the importance of the University's planning and budgeting system, particularly in these challenging times, and the importance of maintaining focus on long-term goals.

Update on the Commonwealth Appropriation

Paul Supowitz underscored the continuing uncertainty regarding the FY12 appropriation, and described efforts to advocate restoration at the grassroots level by students, parents, and alumni. He also noted that feedback from legislators indicates that there may be hope for partial restoration. He noted that the University continues to emphasize that the Commonwealth has made commitments to both the PA State System of Higher Education (PASSHE) and to the state-related institutions, and that changes in financial support to these two groups should be proportionate. Dr. Beeson also noted mention by some in Harrisburg of the idea that the "money should follow the students."

Report of the Parameters Subcommittee

Dean N. John Cooper presented the recommendations of the Parameters Subcommittee. In

pursuing its charge, the Subcommittee recognized the severity and unprecedented nature of the proposed reduction in the Commonwealth Appropriation, and reviewed budgetary implications of changes in tuition, compensation, and non-compensation costs. Given the severity of the uncertainty it faced, the Subcommittee concluded that it could not responsibly propose parameters that would ensure a balanced budget without limiting the University's ability to address financial implications of the final appropriation. The Subcommittee decided instead to propose general principles for finalizing the budget. The principles are as follows:

1. The balance between tuition increases and budget reductions must be chosen with the intent of protecting the quality of research and teaching.
2. Reductions in expenditures should be made within the context of the long-term ambitions of the University.
3. The timing of the announcement of tuition increases is dependent upon knowledge of the finalized appropriation.
4. The University should make provisions for financial hardship arising from tuition increases for needy students and families.
5. A 2% budget reduction will entail reduced support for core programs, and reductions exceeding 2% will threaten the University's commitment to excellence.
6. Any cuts to the E&G budget should be shared equally between academic and administrative units, aggregated to the level of Senior Vice Chancellor.
7. Tuition increases should fall disproportionately on PA residents, to reflect decreased Commonwealth support.
8. Out-of-state tuition should be competitive.
9. Tuition at the Regional Campuses should reflect their competitive positions.
10. Graduate and professional schools should have flexibility in contributing to budget balance through differential tuition increases relative to undergraduate programs.
11. A tuition increase exceeding 20% in one year would be a cause for concern for the Subcommittee.

The Subcommittee also recommended that, should the Appropriation be larger than currently anticipated, the University be guided by the following priorities in finalizing the budget:

1. Restore budgets to maintain program quality and employment.
2. Reduce tuition increases to ease burden on students.
3. Increase compensation to ease burden on faculty and staff.

Following a brief discussion a motion was made and seconded to recommend adherence to the principles outlined by the Subcommittee. The motion passed unanimously.

Matters Arising

There were no matters arising.

The meeting adjourned at 2:44 p.m.