

### **Minutes of March 29<sup>th</sup> Meeting**

The meeting convened at 10:04 AM in room 817, Cathedral of Learning.

UPBC members present were: Patricia Beeson, Thomas Braun, Stephen Carr, Shirley Cassing, Jerome Cochran, N. John Cooper, Anthony Cray, Mary Crossley, Irene Frieze, William Harbert, Kathleen Kelly, Michael Lotze, Jon-Paul Matychak, Arthur Ramicone, Jerry Samples, William Shields, Deborah Walker, and Frank Wilson.

Also present were: Cassie Brenner, Amanda Brodish, David DeJong, Rich Henderson, Charles McLaughlin, Albert Novak, and Thurman Wingrove.

Not present were: John Baker, Monica Costlow, James Landreneau, Arthur Levine, Susan Patton, Michael Pinsky, and Jesse Steinberg.

### **Minutes from February 7<sup>th</sup> 2012 Meeting**

There was a motion to approve the minutes of the February 7<sup>th</sup> 2012 meeting. There was no discussion. The minutes were approved unanimously.

### **Report of the Chair**

Provost Beeson recapped the cuts in Commonwealth funding absorbed in FY2012: \$40 million from the Commonwealth appropriation, \$20 million from capital appropriations, and a \$7 million mid-year rescission. She noted that these cuts were absorbed through increased tuition, budget reserves, restricted salary increases, and efficiency enhancements. Beeson reported that the Governor's proposed state budget for FY13 includes a 30% cut in the Commonwealth appropriation to Pitt, totaling \$40 million.

Beeson expressed concern that the rhetoric in Harrisburg signals long-term funding challenges for higher education. She noted the push towards investing in students rather than institutions (e.g. that money should follow the students); and the commission established to assess the future of higher education in Pennsylvania. She also noted that the uncertainty of continuing financial support from the Commonwealth poses challenges for developing internal strategies for funding academic programs.

Provost Beeson then made a presentation entitled "Cost Containment and Strategies for Increasing Tuition Revenue". She noted that \$175 million in cost savings have been achieved over the past 4 years through the consolidation of vendors; implementation of a salary freeze and delay; adjustments to fringe benefits; energy conservation; and achievement of unit-level efficiencies. Moving forward, further cost savings are being considered via an early retirement program for staff, examination of policies on faculty teaching and course releases, and sustainability initiatives. Beeson highlighted that budget cuts cannot be absorbed through cost containment efforts alone: we must also consider strategies to increase tuition revenue. She noted that this could be accomplished by increasing enrollments and/or increasing net tuition revenue. Potential impacts of increasing enrollment on student quality and experiences, faculty and staff needs, and facility capacity were detailed. Strategies for increasing net tuition revenue were presented, including reducing financial aid, charging higher tuition for upper-level students, and increasing tuition for all students. Pros and cons of these strategies were discussed.

### **Update on FY2013 Commonwealth Appropriation**

Charles McLaughlin reported that advocacy efforts directed towards PA legislators are underway, with the goal of restoring funding for higher education (e.g. letter writing, Pitt day). He noted that the leaders of the PA House and Senate (both Republicans) have come out against the Governor's proposed budget cuts to higher education.

### **Report of Parameters Subcommittee**

Dean N. John Cooper reported that the Parameters subcommittee has met several times over the past month. Since we remain in early stages of the budget-building process, the subcommittee has focused on background informational issues. Given the uncertainty of the FY2013 Commonwealth appropriation, Cooper noted that it may once again be difficult to set specific budget parameters. However, he reported that the subcommittee has discussed the development of general principles for setting budget parameters, as was done last year.

### **Budget Update**

Art Ramicone reported that, despite the 5% mid-year rescission of the Commonwealth Appropriation, the FY12 budget is strong. He then outlined the forthcoming early retirement program for staff, which is expected to be announced in the near future. Beeson noted that an early retirement program for faculty is also being considered, and that an announcement regarding such a policy would be made public whether or not it is implemented.

### **New Business**

There was no new business.

The meeting adjourned at 11:30 AM.