

Minutes of February 12th 2015 Meeting

The meeting convened at 3:00 p.m. in room 817 Cathedral of Learning.

UPBC members present were: Patricia Beeson, Jeanine Buchanich, Richard Colwell, David Gau, Jonathan Harris, Zsuzsa Horvath, Max Kneis, Pat Kroboth, Ron Larsen, Alan Lesgold, Monika Losagio, Kathleen Musante, Arthur Ramicone, Andrew Rose, Jem Spectar, Michael Spring, Frank Wilson, and Chad Zutter.

Also present were: Amanda Brodish, David DeJong, Rich Henderson, Paul Supowitz, and Thurman Wingrove.

UPBC members not present were: James Cassing, Monica Costlow, Beverly Gaddy, Tony Gaskew, Arthur Levine, and Susan Patton.

Welcome and Introductions

Provost Beeson thanked the committee members for their service and reminded them of the confidential nature of all UPBC and subcommittee meetings. Beeson also thanked Alan Lesgold for Chairing the Parameters Subcommittee. Present UPBC members introduced themselves.

Minutes of April 24th 2014 Meeting

There was a motion to approve the minutes of the April 24th 2014 meeting. There was no discussion. The minutes were approved unanimously.

Report of the Chair

Beeson reminded the committee of its responsibility to make recommendations about three budget parameters: salary pool increases, tuition rates, and various line items in the budget. She compared the recommendations made by the UPBC with the parameters approved by the Board of Trustees for FY15. Beeson briefly described the major sources of revenue of the University budget. Budgeting challenges were discussed, including: low levels (relative to public peers) of funding from the Commonwealth; the steady decline in the number of high school graduates in the Commonwealth; high dependence on tuition as a source of revenue; declining (real) federal funding for research; and salary gaps for professors in public versus private universities.

Update on FY2016 Commonwealth Appropriation

Paul Supowitz reported that the FY2016 Commonwealth Appropriation Request has been made to increase the Commonwealth appropriation by 15% over the level from last year, but with specific stipulations regarding how the extra money would be allocated. The Governor's budget will be released on March 3 and Pitt Day in Harrisburg is the following day, March 4.

He noted that while Governor Wolf is supportive of higher education, the state has a \$2.4 billion deficit. He highlighted the possibility of exploring sources of revenue from private partners for one-time projects; however a strategy involving one-time monies would do little to help the university's operating budget.

Budget Update

Art Ramicone discussed the university budget. He reported that according to the most recent NACUBO-Commonfund Study of Endowments (FY14), Pitt has the 25th largest endowment of all colleges and universities in the U.S. and Canada (7th largest among public universities). Further, Pitt's investment return of 17.7% earned last year compares favorably to the 15.5% average investment return earned across all institutions. In addition, the endowment distribution for FY16 is up by 6.45% to 4.05%. Enrollment projections for FY16 have been made and are being analyzed for anomalies.

Matters Arising

Provost Beeson noted that a university-wide effort at strategic planning has been undertaken. She asked Vice Provost David DeJong to provide an update on this effort. DeJong highlighted that this effort is designed to augment the current strategic plan of the university by serving as a "North Star" in moving institutional priorities forward. He described the process of conducting environmental scans with various campus constituents (e.g., students, council of deans, staff association council, planning and budgeting committee members, board of trustees) to identify challenges and opportunities to be highlighted by the university in developing the plan.

The meeting adjourned at 4:00 p.m.