

### **Minutes of the April 24, 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, Beverly Gaddy, David Gau, Pat Kroboth, Ron Larsen, Alan Lesgold, Arthur Levine, Monika Losagio, Kathleen Musante, Arthur Ramicone, Andrew Rose, Michael Spring, Frank Wilson, and Chad Zutter.

Also present were: Cassie Brenner, Amanda Brodish, David DeJong, Rich Henderson, Charles McLaughlin, Kathy Tosh, Stephen Wisniewski, and Thurman Wingrove.

UPBC members not present were: James Cassing, Tony Gaskew, Jonathan Harris, Zsuzsa Horvath, Max Kneis, Susan Patton, Lindsay Rodzwick, and Jem Spectar.

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There was a motion to approve the minutes of the March 24, 2015 meeting. The minutes were approved unanimously.

### **Report of the Chair**

Provost Beeson noted that the FY2016 budget may need to be set without information regarding the size of Pitt's appropriation from the Commonwealth. The parameters subcommittee assumed flat funding from the state in making their recommendations, with the identification of priorities should Pitt receive more money from the commonwealth. Beeson noted that although the governor is generous in his support of higher education in his budget proposal, the proposed strategies for increasing revenue will require substantial negotiation.

She highlighted that Pitt continues to deal with pressures to keep tuition low. First, the cost of higher education continues to be an issue garnering national attention. Second, the decline in high school graduates in PA (and especially Western PA) puts pressure on tuition, especially on the regional campuses. Third, Pitt is sensitive to the tuition and financial aid policies of our largest competitor, Penn State, who has already announced a tuition freeze conditional on full receipt of the appropriation proposed by the governor.

### **Update on the Commonwealth Appropriation**

Charles McLaughlin reported that the appropriation proposed for Penn State (relatively large compared to that proposed for Pitt) was made in error; the intention is that the appropriation for both Pitt and Penn State will increase proportionally. McLaughlin noted that Republicans are highlighting the trade-off between the proposed taxes that will impact students versus the impact of tuition freezes. He stated that it is still early in the budget cycle and that budget deliberations will not begin earnest for another few weeks.

## **Report of the Parameters Subcommittee**

Dean Alan Lesgold presented the recommendations of the parameters subcommittee:

- For both in- and out-of-state students, a 2.9% tuition increase on the Pittsburgh campus, and a 0.0% tuition increase on the regional campuses;
- An allocation of \$2,000,000 for programmatic academic initiatives to provide important funds for investment in our most critical priorities;
- No across-the-board reductions to the Education and General budget;
- A 2.0% salary pool increase (1% to maintenance of salary, 1% to merit/market/equity);
- An additional salary pool increase of 0.5% (0.5% for maintenance of salary) for employees earning \$45,000 or less.

Recognizing the uncertain political and economic environment in which the University continues to operate, Dean Lesgold then presented the following recommendations of the subcommittee concerning budget priorities and discretion:

- The chancellor should have the discretion to adjust the proposed tuition increase should Pitt receive an increase in the Commonwealth appropriation;
- The chancellor should have the discretion to increase the salary pool should final budget numbers be more favorable than anticipated.

Finally, Lesgold reported that the subcommittee voted unanimously in support of these recommendations.

A motion was made to approve the recommendations outlined by the subcommittee. Following a brief discussion, in which Rich Colwell requested that more information about the distribution of salary raises within schools be made publically available, the motion was seconded. The motion passed with one abstention and the rest in favor.

## **New Business**

Provost Beeson provided an enrollment and admissions update. She noted that while deposits on the Pittsburgh campus come later each year, deposits are currently up approximately 1% relative to last year. In addition, re-enrollments are strong. Deposits are behind on two of the regional campuses, but the admissions process continues through the summer on the regional campuses. She noted that graduate enrollments are more of a mixed bag: as examples, law enrollments continue to decline, but education and business are on the upswing.

Beeson discussed with the committee the possibility that Pitt might introduce a two-tiered tuition policy. She noted that the cost to deliver education to upperclassmen is higher than to deliver education to lowerclassmen, and that as students are increasingly entering college with

more credits, Pitt is responsible for providing a greater share of more expensive upper-level classes. Pitt's major competitors, Penn State and Temple, have had two-tiered tuition systems for several years. Although Pitt has the distinction of having the most expensive in-state tuition among public universities, the rates quoted reflect tuition for freshman. For Penn State (who ranks second), these rates increase for upperclassmen, whereas for Pitt they stay the same, putting Pitt at a competitive disadvantage when potential incoming students fail to consider tuition to be paid when they become upperclassmen.

Beeson opened the issue for discussion among committee members. Dean Kroboth expressed concern about the impact on administering financial aid to students. Michael Spring wondered if there were other ways to achieve the same goal without creating the public perception that Pitt is being run as a business rather than as a University. Beeson assured Kroboth and Spring that both of these concerns will be considered.

The meeting adjourned at 3:30 p.m.