

Minutes of April 25th 2016 Meeting

The meeting convened at 3:05 p.m. in room 817 Cathedral of Learning.

UPBC members present were: Livingston Alexander, Patricia Beeson, Richard Colwell, Jerry Holder, Pat Kroboth, Ron Larsen, Monika Losagio, Kathleen Musante, Dean Nelson, Arthur Ramicone, Andrew Rose, Frank Wilson, and Chad Zutter.

Also present were: Cassie Brenner, Amanda Brodish, David DeJong, Rich Henderson, Paul Supowitz, Kathy Tosh, Thurman Wingrove, and Steve Wisniewski.

UPBC members not present were: Jeanine Buchanich, Larry Carr, James Cassing, Timothy Folts, Beverly Gaddy, Tony Gaskew, Jonathan Harris, Nasreen Harun, Zsuzsa Horvath, Arthur Levine, and Lindsay Rodzicz.

Minutes of March 28th 2016 Meeting

There was a motion to approve the minutes of the March 28th 2016 meeting. There was no discussion. The minutes were approved unanimously.

Report of the Chair

Beeson shared that Pitt continues to be on track to bring in a great incoming freshman class on the Pittsburgh campus. The 2016 freshman class will be about 5% smaller than the last several freshman classes due to the extra capacity afforded by the new Nordenberg Hall now bringing us to a steady state. Beeson noted that given that we are running between 2%-7.5% behind where we were last year at this time in freshman paid-deposits and that an increasing percentage of students pay their deposit in the last 2 weeks before the May 1 deadline, we are on track to bring in the class, perhaps even exceeding the target. In addition, the academic profile of the class is high: SATs are up 8-10 points and the percent of students in the top 10% of their high school class is up 3-4% points relative to this time last year. The diversity of the class is also up: both the percent of students from out-of-state and from minority backgrounds is higher relative to this time last year. Beeson noted that the regional campuses are also doing very well, with 5% more freshman paid-deposits relative to this time last year. Taken together, these positive admissions numbers mean there is a good chance that the budget situation may be better than anticipated.

Beeson highlighted that new line items included in the budget advance the strategic goals outlined in "The Plan for Pitt". For example, money is allocated for the offices of Diversity and Inclusion, Economic Partnerships, and Business Engagement, whose missions are tightly linked the strategic plan. In addition, Beeson noted that money allocated for Academic Initiatives has been invested in areas such as increasing salaries for NTS faculty, converting part-time faculty positions to full-time faculty positions, converting 1-year positions to 3-year positions, increasing T/TS faculty positions relative to NTS positions, creating new T/TS

faculty positions in areas that advance the strategic plan, and instructional developments in the classroom.

Update on the FY2017 Commonwealth Appropriation

Paul Supowitz noted that Pitt has received the first nine months of our FY2016 Commonwealth Appropriation. Given the delay in finalizing the FY2016 budget, the FY2017 budget cycle is off from the normal cycle. However, Supowitz speculated that legislators might feel pressure to finalize the FY2017 budget before the fall elections. In positive news, revenues were running ahead in March and early April; by June the revenue picture and disposition for finalizing a budget should be clearer.

Parameters Subcommittee

Dean Ron Larsen, chair of the Parameters Subcommittee, noted that the subcommittee assumed flat funding from the commonwealth when making their budget recommendations. Three possible budget scenarios were presented that included a trade-off between the size of the tuition increase and an additional salary increase for employees making \$45,000 a year or less.

Scenario A:

- a. A 1.8% tuition increase on all campuses.
- b. A 1% cut in the Education and General budget, absorbed at the Senior Vice Chancellor (SVC) level.
- c. A 1.5% salary pool increase (0.75% to maintenance of salary, 0.5% for merit, market, and equity, 0.25% tax at the SVC level).
- d. No additional salary pool increase for employees earning \$45,000 or less.

Scenario B:

- a. A 1.85% tuition increase on all campuses.
- b. A 1% cut in the Education and General budget, absorbed at the SVC level.
- c. A 1.5% salary pool increase (0.75% to maintenance of salary, 0.5% for merit, market, and equity, 0.25% tax at the SVC level).
- d. An additional salary pool increase of 0.25% (for maintenance of salary) for employees earning \$45,000 or less.

Scenario C:

- a. A 1.9% tuition increase on all campuses.
- b. A 1% cut in the Education and General budget, absorbed at the SVC level.
- c. A 1.5% salary pool increase (0.75% to maintenance of salary, 0.5% for merit, market, and equity, 0.25% tax at the SVC level).
- d. An additional salary pool increase of 0.5% (for maintenance of salary) for employees earning \$45,000 or less.

Recognizing that the budget situation may be more positive than anticipated due to either

positive enrollment numbers or an increase in the commonwealth appropriation, Larsen noted that the subcommittee recommended that the chancellor should have the discretion to adjust the proposed tuition increase or to cut to the E&G budget – with no order of priorities suggested.

Following a discussion of the merits of holding down the tuition increase versus supporting low-paid staff versus absorbing a cut in the E&G budget, Beeson asked committee members to vote on the three scenarios to get a sense of the priorities of the committee. Scenario A received 1 vote, Scenario B received 1 vote, and Scenario C received the remaining votes.

Next, Beeson asked committee members to vote on whether they would prioritize an adjustment to the proposed tuition increase or cut to the E&G budget should the budget situation improve. An adjustment to the size of the tuition increase received 1 vote, and an adjustment to the size of the cut to the E&G budget received the remaining votes.

Beeson reflected on the budget situation for Pitt moving forward. She speculated that the budget process could be easier next year (if the commonwealth appropriation increases as is proposed) or more challenging (if the revision to the fair labor standards act proceeds as currently written). More generally, she noted that Pitt is not in an environment where in the commonwealth appropriation can be expected to increase higher than the rate of inflation. Accordingly, Pitt is making strides to secure a solid financial base through: continuing to provide a good value to students, increasing recruitment efforts, increasing fundraising, and developing a strong marketing plan.

New Business

There was no new business to discuss.

The meeting adjourned at 4:05 p.m.