

**University Budget Committee Minutes
Friday, October 6, 2017
3:00-5:00pm - WH D444**

Present

Appointed Members- Hugo Asencio, Justin Blakely, Theodore Byrne, Edward Cleek (as proxy for Gurpreet Singh), Kate Fawver, Kamal Hamdan, Grace Iheke, Michael Kelley, Bin Tang, Caithlyn Torres, and Margaret Parker (as proxy for Kathleen Chai).

Ex Officio Voting Members- Jeff Falkner, William Franklin, Naomi Goodwin, Chris Manriquez, Michael Spagna, and Carrie Stewart.

Non-Voting Division Budget/Fiscal Officers & Others- Rod Hay, Cecily McAlpine, Ken O'Donnell, Marci Payne, and Susan Sanders

Staff to the Committee – Andrea Alvarez, Homaira Masoud, and Stephen Mastro

Not Present

Kendall Hinesley and Wayne Nishioka.

The meeting began at 3:02 pm. Copies of the minutes from September 22 were passed out.

Kamal Hamdan asked everyone to take a minute to read over the minutes from September 22, a vote was taken and minutes were approved as presented.

Kamal mentioned to everyone that an extra meeting was added to the meeting date schedule and the committee will meet a total of 6 times.

Since new committee members were present at this meeting, everyone introduced themselves.

Naomi asked Stephen to give an overview of the Student Success Fee Allocations and Uses. The Student Success Fee was authorized by Chancellor White in Spring 2014 to provide critical resources to assist in improving student graduation and success. It is to be implemented over five academic years, beginning in Spring 2015 at a rate of \$35 and increasing \$35 per semester through Fall 2018. Beginning 2018 and thereafter, the Student Success Fee will be \$280 per semester (\$560 per academic year).

To date 100% of Student Success Fees collected have been used to support UBC recommended and President approved program expenses. If in the future some of the money in the student success fund isn't spent in any given year, it will remain in the Student Success Fund to be used for approved Student Success Initiatives.

A question was asked if the Student Success Fee funding and spending information was available. Naomi said that the Student Success Fee information and History can be found on the Budget Webpage.

Another question was asked if the Student Success Fee will be affected by President Hagan's retirement and the change in administration. Naomi said no, President Hagan's retirement will not affect the Student Success fee, the Student Success Fee was approved by the Chancellor's Office and will continue as planned.

A suggestion was made about making the student success tables/ charts more user friendly. Everyone should be able to just look at a chart and understand what it means. Staff will follow up on this recommendation.

The operating fund base shortfall and year-end balances were explained. The carry forward balance in the operating fund peaked in FY 2012-13 at \$34M. In 2014-15, the significant decrease in carry forward resulted in an analysis of programmatic spending on campus. The analysis identified the base deficit of \$17.8M.

Identifying this deficit brought a lot of attention and conversations regarding sustainability of such a large base deficit. The \$17.8M was modified based on actual spending and availability of other funds to off-set shortfalls in the Operating Fund. \$12.4M was established as the approved base budget shortfall to be funded. As of July 1, 2017, \$7.7M of the approved \$12.4M shortfall has been funded, leaving an approved base budget shortfall balance of \$4.7M.

Year-end balances enable strategic savings, investment, and innovation. Year-end balances are often the result of vacant positions, which manifests as lapsed salary and operational funds for programs that are not fully operational due to these vacant positions. 70% of the Operating Fund is personnel cost. As a general rule, carry forward balances are considered reasonable if it is between 10 to 15 percent.

Each division presented an overview of factors contributing to the year-end balances in their respective units. They explained any unique year-end balances and planned uses of these funds. All divisions have anticipated the need to use year-end balances to mitigate the impact of base funding shortfalls.

Naomi then gave a brief overview of the New Revenue from Operating Fund and the Student Success Fee.

Kamal reminded everyone about the November 17th meeting that was added.

The meeting was adjourned by Kamal Hamdan at 5:35 p.m.