

YSU Budget Advisory Council

Meeting minutes for January 13, 2017

9:00 a.m. in the Hynes Room - Kilcawley Center

Members in attendance: Carole Weimer, Gabriella Gessler, Ken Learman, Jeff Tyus, Connie Augustine-Thompson, Martin Abraham, Charles Howell, Elaine Jacobs, Amy Gordon, Carly Devenburgh, Lisa Mudryk, Neal McNally.

Members absent: Len Schiavone, Tyler Gordon-Miller, Thomas Wakefield, Jeffrey Coldren, Eddie Howard.

1. The group reviewed its charge or mission statement, which had been adopted by the Council during the previous fiscal year, in October 2015: *"The Budget Advisory Council helps shape the University's priorities and achieve the goals outlined in the YSU 2020 Strategic Plan. The Council serves in an advisory capacity to the President regarding budget issues and funding priorities. Council members represent the entire campus community, and communicate to and provide feedback from their various constituent groups."*

Because this statement isn't "set in stone," the Council has the ability to amend or otherwise revise this statement, as may be appropriate. Members were encouraged to review and suggest changes. It was noted that the communication aspect of the Council's charge is very important, especially in light of President Tressel's remarks at last week's state of the university address in which he acknowledged that YSU needs to improve its communication efforts so that the campus community is better informed on important issues. It was further noted that members of the Council have a role to play in communicating Council activity to their colleagues and other constituencies. The group also agreed that posting meeting agendas, minutes and materials to the YSU website would facilitate improved communications.

2. The group briefly discussed the three budget priorities that have been established by President Tressel: workforce compensation; strategic replacement of faculty and staff vacancies; and IT infrastructure upgrades.

Making improvements to campus facilities was cited as an additional priority in need of consideration. It was noted that efforts to boost enrollments had been a major priority in the past and that it should remain a priority, given the relationship between enrollments and the university's financial wellbeing. Significant investments in student recruitment efforts had been made over the past two years, including a \$500,000 per year contract with Royall & Co., and the hiring of new staff in various Enrollment Management offices. Enrollment outreach efforts must remain a priority, especially in light of the anticipated decline in the number of graduates in high schools from which YSU has traditionally enrolled the most students, i.e., in Mahoning, Trumbull and Columbiana counties.

3. The group discussed the type of process and meeting format that should be employed for Council meetings. With the goal of maximizing participation and attendance among its members, the Council agreed that meetings should generally be held twice per month, and be scheduled via a Doodle survey.

There was a brief discussion as to whether the Council should issue a call for budget proposals, and make funding recommendations regarding those proposals. YSU has not taken this approach because financial resources have been in decline or otherwise stagnate over the past several years. Consequently, the only way to fund new priorities is to defund lower priorities. And while this has been done at the college and divisional level, it is a politically difficult endeavor for a campus-wide budget council.

Nevertheless, the Council plays a key role in the development of the university's annual operating budget. Copies of YSU's FY 2017 operating budget were distributed [and are available online at <http://cms.ysu.edu/administrative-offices/vice-president-finance-and-business-operations/budget-planning>]. In developing the FY 2017 budget, the Council last year focused mainly on responding to the recommendations of the Governor's Task Force on Higher Education Affordability & Efficiency, as was required by House Bill 64.

4. The timeline for developing the FY 2018 budget was discussed. With FY 2018 set to commence on July 1, 2017, the university's budget must be submitted to and approved by the Board of Trustees in June. But developing the university's budget is largely contingent on the state of Ohio's two-year biennial budget. The governor is expected to propose his executive budget by the end of this month. The state's operating budget for the next two year cycle includes state funding for public higher education, as well as policy language on things affecting state universities, namely tuition caps—that is, whether or not we can adjust tuition prices, which has a direct effect on YSU's ability to raise revenue.

Upon the release of the governor's budget proposal, it will then be introduced as legislation in the Ohio House of Representatives, which will debate and amend the budget over a one-to two-month period. From there, the budget bill will then be introduced in the Ohio Senate where it will again be debated and amended. The budget bill will then go to a House-Senate conference committee and, once finalized, be sent to the Governor for signature. This legislative process ordinarily concludes in late June, making it somewhat difficult to finalize the YSU budget in time for the new fiscal year.

There was discussion about what we might expect the state budget bill to contain vis-à-vis higher education. The conventional wisdom in Columbus is that tuition caps are expected to remain in place for the next two-year period, meaning that public universities will be prohibited from raising tuition as a way to increase revenue. The federal government has also modified the way in which states can tax Medicaid income to healthcare providers. Consequently, the state of Ohio stands to lose \$550 million per year in Medicaid tax income, which will have a significant and negative impact on funding appropriations in the next state budget bill.

5. Agenda setting for future meetings: A number of topics were identified, including:
 - a. A presentation from Gary Swegan regarding the enrollment outlook for next year and beyond. This might include information about how financial aid and scholarships plays into our enrollment strategy.
 - b. Presentations from areas where there is potential for enrollment and/or revenue growth, such as International Programs, the Graduate School, Distance Education, and any area where YSU could distinguish itself from other universities in the region.
 - c. A discussion about the cost of deferred maintenance on the university's physical plant.
 - d. A review of revenues and costs associated with various departments. It was noted that YSU has participated in the Delaware Study, which contains this type of information for academic programs. It was also noted that when this type of information is shared broadly, enhanced stewardship is often a byproduct.
 - e. Information about the State Share of Instruction formula, which is the mechanism by which state operating funds are distributed to public universities in Ohio.
 - f. A presentation from Jim Yukech on plans to upgrade YSU's IT infrastructure.
 - g. A discussion about the requirements of Senate Bill 6, which established standard ratios to measure the financial health of state universities in Ohio.

6. The meeting adjourned at approximately 10:05 a.m.